Singapore Telecommunications Limited
And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2009

The financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards, which are the same, in material respects, to International Financial Reporting Standards. The financial statements for the period ended, and as at, 30 June 2009 are unaudited.

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

For all pages, "@" denotes more than +/- 500%, "" denotes less than +/- S$500,000 or A$500,000 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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FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2009

- **Both Singapore and Australia reported double-digit revenue growth and improved EBITDA but the Group's earnings were impacted by weakness in the Australian Dollar and regional currencies.**
- **Group's revenue up 1.9% to S$3.85 billion, whilst the Australian Dollar depreciated 13% from a year ago.**
- **Operational EBITDA margin down 1.0 percentage point to 29.3%.**
- **Pre-tax profit from associates up 13% to S$647 million.**
- **EBITDA grew 3.2% to S$1.78 billion.**
- **Underlying net profit up 10% to S$945 million.**
- **Free cash flow of S$572 million -- with S$329 million from the Singapore operations, S$161 million (A$139 million) from the Australia operations and S$83 million from the associates.**

SECTION I : GROUP

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Operating revenue	**3,848**	**3,777**	**1.9**
Operating expenses	(2,745)	(2,659)	3.2
(ex- Cost of Sales)	*(2,116)*	*(2,143)*	*-1.3*
Operational EBITDA	**1,128**	**1,146**	**-1.5**
Operational EBITDA margin	***29.3%***	***30.3%***	
Share of associates' pre-tax profit	**647**	**574**	**12.6**
- ordinary operations	**647**	**570**	**13.4**
- exceptional items [1]	**-**	**4**	**nm**
EBITDA	**1,775**	**1,720**	**3.2**
Exceptional items [1]	*****	**21**	**nm**
Underlying net profit	**945**	**857**	**10.3**
Net profit	**945**	**878**	**7.7**
Free cash flow	**572**	**553**	**3.5**
Underlying earnings per share (S cents)	**5.94**	**5.39**	**10.2**
Basic earnings per share (S cents)	**5.94**	**5.52**	**7.6**

	As at 30 Jun 2009 S$ m	As at 31 Mar 2009 S$ m	As at 30 Jun 2008 S$ m
Total assets	**34,654**	**33,255**	**34,713**
Shareholders' funds	**22,086**	**20,476**	**21,688**
Net debt [2]	**6,325**	**6,544**	**6,917**
Net debt gearing ratio [3]	***22.2%***	***24.2%***	***24.2%***
Net debt to EBITDA [4]	***0.89X***	***1.01X***	***1.01X***
Interest cover:			
- EBITDA/net interest expense [5]	***24.4X***	***19.9X***	***19.6X***

Notes:

(1) The Group's share of Bharti's dilution gain of S$8 million initially recorded as part of Bharti's share of profits had been reclassified as part of Group's exceptional items in the last corresponding quarter.
(2) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
(3) Net debt gearing is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.
(4) Net debt to EBITDA is calculated on an annualised basis.
(5) Net interest expense refers to interest expense less interest income.

SECTION I : GROUP

GROUP SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2009

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Operating revenue	**3,848**	**3,777**	**1.9**
Operating expenses	(2,745)	(2,659)	3.2
	1,103	1,118	-1.3
Other income	25	28	-8.6
Operational EBITDA	**1,128**	**1,146**	**-1.5**
- EBITDA margin	***29.3%***	***30.3%***	
Share of results of associates			
- ordinary operations	647	570	13.4
- exceptional items	-	4	nm
	647	574	12.6
EBITDA	**1,775**	**1,720**	**3.2**
Depreciation & amortisation	(442)	(482)	-8.2
EBIT	**1,333**	**1,238**	**7.6**
Net finance expense			
- net interest expense	(73)	(88)	-17.5
- other finance (expense)/ income	(11)	11	nm
	(84)	(78)	7.7
Profit before exceptional items	**1,250**	**1,161**	**7.6**
Exceptional items	*	21	nm
Profit before tax	**1,250**	**1,182**	**5.8**
Taxation	(304)	(304)	0.2
Profit after tax	**946**	**878**	**7.7**
Minority interests	*	*	nm
Net profit	**945**	**878**	**7.7**
Net profit	**945**	**878**	**7.7**
Exclude :			
Exceptional items	*	(21)	nm
Underlying net profit	**945**	**857**	**10.3**

Notes:

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

(2) See **Appendix 1** for the summary income statements of the various businesses for the first quarter ended 30 June 2009.

SECTION I : GROUP

DIVISIONAL TOTALS

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Operating revenue by division:			
Singapore Telco	1,112	1,073	3.6
IT and Engineering [(1)]	271	181	49.8
Singapore Business	1,383	1,254	10.3
Optus	2,465	2,523	-2.3
Group	**3,848**	**3,777**	**1.9**
Operational EBITDA by division:			
Singapore Telco	546	509	7.2
IT and Engineering	32	13	138.3
Singapore Business	578	523	10.6
Optus	566	638	-11.2
Group and Int'l Business net corporate costs [(2)]	(16)	(15)	7.6
Group	**1,128**	**1,146**	**-1.5**
Operational EBITDA margins by division:			
Singapore Telco	*49.1%*	*47.5%*	
IT and Engineering	*11.7%*	*7.3%*	
Singapore Business	***41.8%***	***41.7%***	
Optus	***23.0%***	***25.3%***	
Group	***29.3%***	***30.3%***	

Notes:
(1) Included first-time fibre rollout revenue from OpenNet.
(2) Included amortisation of cost for Formula One™ title sponsorship.

SECTION I : GROUP

REVIEW OF GROUP OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2009

Despite the uncertain economic conditions, the Group delivered another quarter of resilient operational results and achieved double-digit underlying earnings growth.

Both Singapore and Australia recorded strong revenue growth and higher EBITDA. The robust business performance, however, was impacted by currency weakness. Though the Australian Dollar and regional currencies had started to recover from the preceding quarter, they were still weaker against the Singapore Dollar when compared to the corresponding quarter last year. The Group's revenue would have been up 12% and the underlying net profit would have increased 16% if the Australian Dollar and regional currencies had been stable from the same quarter last year.

Operating revenue for the Singapore Business grew strongly at 10% with the acquisition of SCS in August 2008 and continued growth momentum in data and mobile revenues.

Optus' revenue was up 12%, driven primarily by robust growth in its mobile subscriber base. Outgoing mobile service revenue grew a solid 15% for the second consecutive quarter. However, with the steep 13% decline in the Australian Dollar, Optus' revenue was down 2.3% when translated to Singapore Dollar.

Consequently, the Group's operating revenue grew only by 1.9% from a year ago to S$3.85 billion. On a sequential quarter, operating revenue was up 7.9% with the Australian Dollar strengthening 12% from a quarter ago.

Operational EBITDA was stable at S$1.13 billion, and would have increased 6% if the Australian Dollar remained unchanged from the same quarter last year. Margin fell 1.0 percentage point to 29.3% from a year earlier. The lower margin reflected increased contribution of the IT and Engineering businesses and Optus' higher customer acquisition costs driven by strong net additions in iPhone 3G and wireless broadband whereby these costs are expensed upfront on customer acquisitions.

The Group's share of pre-tax profit from the associates posted double-digit increase of 13%, reversing the trend of decline in the past four quarters. Major regional currencies depreciated 4% to 9% against the Singapore Dollar from the same quarter last year. Excluding the currency translation impact, the share of associates' pre-tax profit would have increased 19%, bolstered by fair value gains recorded on foreign currency denominated liabilities and improved performance at Telkomsel, which continued to gain subscriber market share in the quarter.

The Group's EBITDA grew 3.2% to S$1.78 billion, driven by higher associates' contribution.

The Group's EBIT increased 7.6% with lower depreciation expense on translation impact of a weaker Australian Dollar.

Net finance expense was S$84 million, up 7.7% from the same quarter last year. The increase was attributable to lower interest income as interest rates fell, as well as foreign exchange losses.

SECTION I : GROUP

Despite the higher profit, tax expense was flat, due mainly to lower share of taxes from Telkomsel and Globe from their reduced local corporate tax rates effective January 2009.

Net profit increased 7.7% to S$945 million from a year ago. Excluding the exceptional items, the Group's underlying net profit grew strongly by 10% to S$945 million.

Free cash flow was up 3.5% to S$572 million compared to a year ago.

The Group continued to maintain an efficient capital structure while retaining flexibility for further investments with net debt gearing ratio at approximately 22.2%.

On a proportionate basis where the associates are consolidated line-by-line, operations outside Singapore accounted for 73% (Q1 FY 2009: 75%) and 72% (Q1 FY 2009: 74%) of the Group's proportionate revenue and EBITDA respectively.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2009 were as follows:

	Quarter		
	30 Jun 2009 S$ m	**31 Mar 2009 S$ m**	**QOQ Chge %**
Operating revenue	**3,848**	**3,566**	**7.9**
Singapore Business	1,383	1,453	-4.8
Optus	2,465	2,113	16.7
Operating expenses	(2,745)	(2,442)	12.4
Operational EBITDA	**1,128**	**1,150**	**-1.8**
Operational EBITDA margin	***29.3%***	***32.2%***	
Singapore Business	*41.8%*	*39.8%*	
Optus	*23.0%*	*27.8%*	
Share of pre-tax profit of associates	**647**	**531**	**21.9**
Profit before exceptional items and tax	**1,250**	**1,216**	**2.7**
Underlying net profit	**945**	**959**	**-1.5**
Net profit	**945**	**903**	**4.6**
Free cash flow	**572**	**976**	**-41.4**

The Australian Dollar and the Indonesian Rupiah strengthened 12% and 7% respectively whilst the other regional currencies depreciated at slower rates compared to a quarter ago.

SECTION I : GROUP

Operational EBITDA declined 1.8% and margin fell 2.9 percentage points mainly attributable to Optus' increased equipment sales and higher mobile selling costs including subsidies driven by a strong quarter of iPhone 3G activations.

Underlying net profit was relatively stable despite higher associates' contributions, due mainly to higher tax expense which included withholding tax of S$47 million recorded on accrued dividend from Telkomsel this quarter. The March 2009 quarter also benefited from a tax credit relating to prior quarters from the reduction in Singapore corporate tax rate from 18% to 17%.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR

The guidance issued earlier with the results for the financial year ended 31 March 2009 is affirmed.

Please refer to **Appendix 5** for further details on the outlook for the current financial year.

SECTION I : GROUP

GROUP OPERATING REVENUE

By Products And Services	Quarter 30 Jun 2009 S'pore Business S$ m	Quarter 30 Jun 2009 Optus S$ m	Quarter 30 Jun 2009 Group S$ m	Quarter 30 Jun 2008 Group S$ m	YOY Chge %
Mobile communications	372	1,187	1,559	1,549	0.6
Data and Internet	392	394	785	813	-3.4
National telephone	100	346	446	516	-13.6
IT and Engineering [(1)]	271	159	430	326	32.0
Sale of equipment	51	276	327	251	30.2
International telephone	145	39	184	206	-10.6
Others [(2)]	53	64	117	117	0.2
Total	**1,383**	**2,465**	**3,848**	**3,777**	**1.9**
Operating revenue			3,848	3,777	1.9
Associates' proportionate revenue [(3)]			1,574	1,519	3.6
Group's proportionate revenue			**5,421**	**5,296**	**2.4**

Notes:

(1) Included first-time fibre rollout revenue from OpenNet.

(2) Comprise revenue from pay television, maritime and land mobile, lease of satellite transponders etc.

(3) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by SingTel's effective ownership interest.

Operating Revenue Mix By Services	Quarter 30 Jun 2009 Mix	Quarter 30 Jun 2008 Mix
Mobile communications	40.5%	41.0%
Data and Internet	20.4%	21.5%
National telephone	11.6%	13.7%
IT and Engineering	11.2%	8.6%
Sale of equipment	8.5%	6.7%
International telephone	4.8%	5.4%
Others	3.0%	3.1%
	100.0%	**100.0%**

If the Australian Dollar had remained constant from a year ago, consolidated operating revenue would have increased by 12% instead of 1.9%.

Mobile Communications, the top revenue stream, accounted for 41% of the Group's revenue. National Telephone revenue contributed 12% of total revenue, down 2.1 percentage points from a year earlier, as Optus continued the managed exit of its unprofitable Consumer Fixed resale business in Australia. Including contribution from SCS and first-time revenue on the fibre rollout for OpenNet, IT and Engineering revenue grew 32% and was the fourth largest revenue stream in the quarter at 11% of the Group's revenue, up from 8.6% a year ago.

SECTION I : GROUP

Including the proportionate share of operating revenue from associates, the Group's enlarged revenue in the quarter was up 2.4% to S$5.42 billion attributable mainly to Bharti and Telkomsel.

GROUP OPERATING EXPENSES
(Before depreciation and amortisation)

	Quarter 30 Jun					YOY Chge %
	2009	2009	2009	2009	2008	
	S'pore Business S$ m	Optus S$ m	Corp S$ m	Group S$ m	Group S$ m	
Selling & administrative	208	715	5	929	908	2.3
Cost of sales	187	442	-	629	516	21.8
Traffic expenses	202	426	-	628	644	-2.4
Staff costs	202	278	10	490	515	-4.8
Repair & maintenance	27	46	-	73	80	-9.2
Others	(9)	4	*	(4)	(4)	-
Total	**818**	**1,911**	**16**	**2,745**	**2,659**	**3.2**

As a percentage of operating revenue	Quarter 30 Jun 2009	Quarter 30 Jun 2008
Selling & administrative	24.1%	24.0%
Cost of sales	16.3%	13.7%
Traffic expenses	16.3%	17.0%
Staff costs	12.7%	13.6%
Repair & maintenance	1.9%	2.1%
Others	-0.1%	-0.1%
	71.3%	**70.4%**

With the inclusion of SCS, which had been integrated within the NCS group, the Group's operating expenses were up 3.2% to S$2.75 billion against revenue growth of 1.9%. It would have increased 14% if the Australian Dollar remained unchanged from a year ago.

Operating expenses were at 71% of operating revenue, up 0.9 percentage point from the same quarter a year ago.

Selling & Administrative expenses, the largest expense category at 24% of operating revenue, rose 2.3% year-on-year. It would have increased 14% assuming a stable Australian Dollar from the same quarter last year, primarily due to higher mobile selling expenses at Optus partially mitigated by the Group's reduction in discretionary spending.

Cost of Sales increased 22% and accounted for 16% of revenue, up 2.6 percentage points from a year ago with the inclusion of SCS as well as higher equipment sales at Optus.

SECTION I : GROUP

GROUP EXCEPTIONAL ITEMS [(1)]

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Share of Bharti's dilution gain on Infratel	-	8	nm
Dilution gain on associates	*	2	nm
Corporate	*	10	nm
Write-back of impairment of property, plant and equipment	-	11	nm
Singapore	-	11	nm
Group	*****	**21**	**nm**

Note:

(1) Exceptional items are material non-recurring items for which separate disclosure is considered necessary to avoid distortion of reported results of performance.

The exceptional dilution gain of S$8 million recorded in June 2008 quarter arose from Bharti's dilution of equity interest in its subsidiary, Bharti Infratel, following equity contribution by minority shareholders.

GROUP SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at 30 Jun 2009 S$ m	As at 31 Mar 2009 S$ m	As at 30 Jun 2008 S$ m
Current assets (excluding cash)	3,514	2,718	3,318
Cash and bank balances	1,086	1,076	1,091
Non-current assets	30,054	29,461	30,304
Total assets	**34,654**	**33,255**	**34,713**
Current liabilities	5,210	5,103	5,880
Non-current liabilities	7,333	7,652	7,142
Total liabilities	**12,543**	**12,754**	**13,022**
Net assets	**22,111**	**20,500**	**21,691**
Share capital	2,607	2,606	2,595
Reserves	19,479	17,871	19,093
Equity attributable to shareholders	**22,086**	**20,476**	**21,688**
Minority interest	25	24	3
	22,111	**20,500**	**21,691**

The Group continues to be in a strong financial position with a cash position of S$1.09 billion as at 30 June 2009. SingTel remains rated at Aa2 by Moody's and A+ by Standard & Poor's.

SECTION I : GROUP

Equity attributable to the shareholders was up S$398 million from a year ago to S$22.09 billion as at 30 June 2009. Reserves of S$19.48 billion included a net translation loss of S$1.15 billion recorded under foreign currency translation reserve account as the Singapore Dollar translated net assets of foreign subsidiaries and associates fell with the depreciation of the respective local currencies against the Singapore Dollar.

Compared to a quarter ago, equity attributable to the shareholders grew S$1.61 billion, uplifted by a net translation gain of S$632 million largely from the Australian Dollar strengthening during the quarter.

GROUP LIQUIDITY AND GEARING

	As at		
	30 Jun 2009 S$ m	**31 Mar 2009 S$ m**	**30 Jun 2008 S$ m**
Gross debt			
Current debt	1,274	1,434	1,716
Non-current debt	5,582	6,061	4,945
Gross debt as reported in balance sheet	**6,855**	**7,495**	**6,661**
Related net hedging liability	556	125	1,347
	7,411	**7,620**	**8,008**
Less : Cash and bank balances	(1,086)	(1,076)	(1,091)
Net debt	**6,325**	**6,544**	**6,917**
Gross debt gearing ratio (1)	***25.1%***	***27.1%***	***27.0%***
Net debt gearing ratio	***22.2%***	***24.2%***	***24.2%***

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

Gross debt (net of hedging) decreased S$209 million from a quarter ago. The decline was due mainly to net repayment of borrowings of S$434 million partially offset by higher translated Optus' net debt balances as well as increased hedging liability as a result of mark-to-market movements on higher interest rates.

SECTION I : GROUP

GROUP CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			YOY
	30 Jun 2009 S$ m	30 Jun 2008 S$ m	31 Mar 2009 S$ m	chge %
Net cash inflow from operating activities				
Profit before tax	**1,250**	**1,182**	**1,094**	**5.8**
Non-cash items	(112)	(28)	66	298.9
Operating cashflow before working capital changes	1,138	1,154	1,160	-1.4
Changes in operating assets and liabilities	(214)	(254)	202	-16.0
	924	**899**	**1,362**	**2.7**
Cash paid to employees under performance share plans	(1)	(2)	(1)	-26.3
Tax paid on operating activities	(8)	(3)	(31)	215.4
Operating cashflow before dividends from associates	914	895	1,330	2.2
Dividends received from associates	91	125	99	-27.5
Withholding tax paid on dividends received	(8)	(8)	(10)	-2.5
	997	**1,012**	**1,419**	**-1.4**
Net cash outflow for investing activities				
Payment for purchases of property, plant and equipment	(425)	(459)	(443)	-7.4
Drawdown of prepaid C2C submarine cable capacity	33	-	-	nm
Net investment in associates	(4)	(14)	1	-74.1
Withholding tax paid on interest received on inter-company loans	(1)	*	(17)	nm
Others *(interest received etc)*	3	15	16	-78.1
	(393)	**(459)**	**(443)**	**-14.4**
Net cash outflow for financing activities				
Net decrease in borrowings	(434)	(665)	(215)	-34.7
Net interest paid on borrowings and swaps	(126)	(147)	(33)	-14.1
Interim dividends paid to SingTel shareholders	-	-	(891)	-
Proceeds from share issue	1	2	1	-25.0
Purchase of performance shares	(51)	(32)	(2)	59.6
Others	-	-	(1)	-
	(611)	**(843)**	**(1,141)**	**-27.6**
Net decrease in cash and cash equivalents	**(7)**	**(290)**	**(165)**	**-97.7**
Exchange effects on cash and cash equivalents	17	9	21	88.6
Group cash and cash equivalents at beginning	**1,076**	**1,372**	**1,220**	**-21.6**
Group cash and cash equivalents at end	**1,086**	**1,091**	**1,076**	**-0.4**
Free cash flow (ex-associates' dividends)	**490**	**436**	**887**	**12.2**
Free cash flow	**572**	**553**	**976**	**3.5**
Cash capex to operating revenue	***11%***	***12%***	***12%***	

Net cash inflow from operating activities was stable at S$997 million from a year ago with higher operating cash flow partially offset by lower dividends received from the associates due to timing differences. Compared to a quarter ago, operating cash flow fell 30% attributable to higher working capital with seasonality in timing of payments including annual staff bonus.

Net cash outflow for investing activities was S$393 million, mainly for payment of capital expenditure of S$425 million.

SECTION I : GROUP

Capital expenditure decreased 7.4% from a year ago due mainly to the impact of a weaker Australian Dollar. It represented 11% of operating revenue, down from 12% a year ago.

With lower capital expenditure, free cash flow increased 3.5% to S$572 million. Compared to a quarter ago, free cash flow was down 41% on lower operating cash flow.

Net cash outflow for financing activities amounted to S$611 million. The amount comprised repayment of net borrowings of S$434 million and interest payments of S$126 million.

Overall cash balance stood at S$1.09 billion as at 30 June 2009.

SECTION II : SINGAPORE

SINGAPORE

MANAGEMENT DISCUSSION AND ANALYSIS

The equity accounted results of associates, as well as dividends from associates, are disclosed in **Section IV** and aggregated at the Group.

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2009

- **Operating revenue up 10% to S$1.38 billion, including contribution from SCS.**
- **Operational EBITDA up 11% to S$578 million.**
- **Operational EBITDA margin stable at 41.8%.**
- **Underlying net profit up 3.6% to S$338 million.**
- **Free cash flow up 14% to S$329 million.**

SECTION II : SINGAPORE

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Operating revenue			
Singapore Business	**1,383**	**1,254**	**10.3**
Singapore Telco business	*1,112*	*1,073*	*3.6*
IT and Engineering business	*271*	*181*	*49.8*
Operating expenses	(834)	(758)	10.0
Singapore Business	*(818)*	*(743)*	*10.1*
Group and International business corporate costs	*(16)*	*(15)*	*6.8*
Operational EBITDA			
Singapore Business	**578**	**523**	**10.6**
Group and International business net corporate costs	*(16)*	*(15)*	*7.6*
Operational EBITDA margin			
Singapore Business	***41.8%***	***41.7%***	
Singapore Telco business	*49.1%*	*47.5%*	
IT and Engineering business	*11.7%*	*7.3%*	
Exceptional items (3)	**-**	**11**	**nm**
Underlying net profit	**338**	**327**	**3.6**
Net profit	**338**	**337**	**0.3**
Free cash flow	**329**	**288**	**14.4**

Notes:

(1) The figures in this section are after elimination of inter-company transactions and cash flows within the Group except for transactions and cash flows with Optus. Material inter-company transactions, cash flows and balances between Singapore and Optus are eliminated in the Group's financials under **Section I**.

(2) With effect from 1 April 2009, SCS' operations have been integrated with NCS. Consequently, the financial information excluding SCS are not shown as they are not meaningful.

(3) The exceptional items in the last corresponding quarter were for the write-back of impairment on property, plant and equipment, and do not include exceptional items recognised directly at Group such as share of Bharti's dilution gain on Infratel.

SECTION II : SINGAPORE

SINGAPORE SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2009

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Singapore Business			
Operating revenue	**1,383**	**1,254**	**10.3**
Operating expenses	(818)	(743)	10.1
	565	511	10.5
Other income	13	12	12.1
Operational EBITDA	**578**	**523**	**10.6**
-EBITDA margin	***41.8%***	***41.7%***	
Group and International business net corporate costs	(16)	(15)	7.6
	562	508	10.7
Depreciation & amortisation	(127)	(111)	14.7
EBIT	**435**	**397**	**9.5**
Net finance expense			
- net interest expense	(51)	(50)	2.0
- net investment (expense)/ income	(6)	12	nm
	(57)	(38)	50.3
Profit before exceptional items	**379**	**360**	**5.3**
Exceptional items	-	11	nm
Profit before tax	**379**	**370**	**2.2**
Taxation	(40)	(33)	21.2
Profit after tax	**339**	**337**	**0.3**
Minority interests	*	*	nm
Net profit	**338**	**337**	**0.3**
Net profit	**338**	**337**	**0.3**
Exclude :			
Exceptional items	-	(11)	nm
Underlying net profit	**338**	**327**	**3.6**

SECTION II : SINGAPORE

REVIEW OF SINGAPORE OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2009

The Singapore economy contracted 3.5% in the June 2009 quarter, compared to the 9.5% decline in the preceding March 2009 quarter.

Despite the challenging and competitive market conditions, the Singapore Business delivered yet another set of strong quarterly results. The Singapore Business continued to invest in the multimedia segment with the launch of its advertising business (SingTel iMedia) and a lifestyle web portal (inSing.com).

Including contribution from SCS which was acquired in August 2008 and first-time recognition of fibre rollout revenue of S$14 million from OpenNet, operating revenue for the Singapore Business was up 10%.

Amid the slowing economy, revenue from the Singapore Telco business grew 3.6% from a year ago, driven mainly by growth in data and mobile. Data & Internet revenue was up 5.9% to S$392 million, underpinned by growth in Managed Services. Fixed Broadband revenue, however, was stable in a competitive market where penetration reached 85% as at 30 June 2009. Mobile Communications revenue was up 7.1% to S$372 million on a higher subscriber base. A net total of 15,000 mobile subscribers were added in the quarter, bringing overall mobile subscriber base to 2.99 million as at 30 June 2009. SingTel's lead in the mobile market was up by 1.2 percentage points from a year ago to 45.9%.

Including revenue from SCS and first-time fibre rollout revenue from OpenNet, IT and Engineering posted a significant increase of 50% in operating revenue. Revenue from the NCS group was up 42% year-on-year with SCS' contribution but was down 23% on a sequential quarter due to seasonality. The NCS group continued to win key contracts in both local and overseas markets, with order book value of approximately S$1.27 billion as at the end of the quarter.

mio TV achieved a new milestone as it surpassed the 100,000 customer mark in its second year of service with 101,000 customers as at 30 June 2009. A net total of 23,000 customers were added in the quarter, up from 19,000 in the preceding quarter. The strong growth was driven by the success of the mio Home bundled plans and the better content suite offered. During the quarter, SingTel launched 'US TV pack', another innovative on-demand service which rode on the popularity of 'Season Pass'. This service allows customers to watch a selection of the latest US TV series after their run on 'Season Pass' at fixed monthly subscriptions.

The Singapore Business continued its focus on cost management. Operating expenses growth of 10% was in line with revenue growth. The increases were mainly in Cost of Sales and Staff Costs with the acquisition of SCS.

Operational EBITDA for the Singapore Business grew 11% year-on-year to S$578 million, the highest quarter in many years. Margin was flat at 41.8% as improved margin at Singapore Telco business was diluted by increased revenue contribution from the IT and Engineering business which had lower margins relative to the Telco business.

SECTION II : SINGAPORE

Tax expense increased due to lower net deferred tax credit recognised on current quarter's interest expense on inter-company loans attributable to lower interest rates and weaker Australian Dollar.

Net profit was stable at S$338 million. Excluding the exceptional gain of S$11 million on property, plant and equipment recorded in the same quarter last year, underlying net profit grew 3.6% from a year ago.

Free cash flow generated in the quarter was up 14% to S$329 million on higher operational performance.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2009 are as follows:

	Quarter		QOQ
	30 June 2009 S$ m	31 Mar 2009 S$ m	Chge %
Operating revenue			
Singapore Business	**1,383**	**1,453**	**-4.8**
Singapore Telco business	*1,112*	*1,121*	*-0.8*
IT and Engineering business	*271*	*333*	*-18.4*
Operating expenses	(834)	(907)	-8.0
Singapore Business	*(818)*	*(888)*	*-7.9*
Group and International business corporate costs	*(16)*	*(18)*	*-14.3*
Operational EBITDA			
Singapore Business	**578**	**578**	**-0.1**
Group and International business net corporate costs	*(16)*	*(15)*	*1.3*
Operational EBITDA margin			
Singapore Business	***41.8%***	***39.8%***	
Singapore Telco business	*49.1%*	*47.2%*	
IT and Engineering business	*11.7%*	*14.9%*	
Profit before exceptional items and tax	**379**	**408**	**-7.3**
Underlying net profit	**338**	**365**	**-7.3**
Free cash flow	**329**	**465**	**-29.3**

Operating revenue was down 4.8% on a sequential quarter, as IT and Engineering revenue from NCS group fell due to seasonality.

However, with stringent cost management and improved efficiency, operational EBITDA for the Singapore Business was stable while margin increased 2.0 percentage points to 41.8% from a quarter ago.

SECTION II : SINGAPORE

OPERATING REVENUE

	Quarter 30 Jun				YOY Chge
	2009		2008		
	S$ m	Mix %	S$ m	Mix %	%
Data and Internet	392	28	370	30	5.9
Mobile communications	372	27	347	28	7.1
IT and Engineering (1)	271	20	181	14	49.8
International telephone	145	10	159	13	-9.1
National telephone	100	7	102	8	-1.9
Sale of equipment	51	4	51	4	-0.8
Others (2)	53	4	44	3	20.3
Total	**1,383**	**100**	**1,254**	**100**	**10.3**

Notes:
(1) Included first-time fibre rollout revenue from OpenNet.
(2) Comprise revenue from mio TV, maritime & land mobile revenue and lease of satellite transponders etc.

IT and Engineering revenue grew 50% in the quarter to S$271 million. The increase was boosted by SCS' contribution and first-time revenue of S$14 million recognised on the fibre rollout contract with OpenNet. It accounted for 20% of total operating revenue, up 6 percentage points from 14% a year ago.

International Telephone revenue declined 9.1% year-on-year reflecting lower usage and reduced spending amid a weaker economy. Consequently, its contribution to total revenue fell 3 percentage points to 10%.

SECTION II : SINGAPORE

Data and Internet

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Data services			
Local leased circuits [1]	113	107	6.3
Managed services [2]	73	66	11.0
International leased circuits ("**ILC**")	49	46	6.8
Others [3]	48	43	12.4
	283	**260**	**8.6**
Internet related			
Fixed broadband [4]	90	91	-1.1
SingTel Internet Exchange ("**STiX**") [5]	14	12	23.1
Narrowband and others	5	7	-31.4
	109	**109**	**-0.5**
Total	**392**	**370**	**5.9**

Key Drivers - Internet related	Quarter 30 Jun 2009	Quarter 31 Mar 2009	Quarter 30 Jun 2008	YOY Chge %
Number of fixed broadband lines (000s) [6] [9]	**500**	**498**	**487**	**2.7**
Singapore fixed broadband penetration rate [7] [9]	***84.7%***	***82.5%***	***73.3%***	
Fixed broadband market share [8] [9]	***47.8%***	***48.8%***	***53.3%***	

Notes:

(1) Include resale of overseas local leased circuits.
(2) Include ATM, MEG@POP, Global Corporate IP, Frame Relay, Facility Management and Managed Hosting Services.
(3) Include ISDN, VSAT, DTE/ DCE, digital video broadcasting etc.
(4) Include revenue from Internet access under mio Plan.
(5) Include inter-company sales to Optus of S$4 million (Q1 FY2009: S$4 million) for the first quarter ended 30 June 2009.
(6) SingTel's Fixed Broadband service comprises all ADSL lines, including SingNet retail fixed broadband lines but excluding leased lines and other fixed broadband access.
(7) Total estimated ADSL and cable lines divided by total number of households (Source: IDA).
(8) Based on total SingTel ADSL lines divided by total ADSL and cable lines in the population. Market share information based on IDA's published statistics.
(9) Comparatives have been restated on a retrospective basis consistent with IDA's revised published statistics.

Data and Internet revenue increased at a slower rate of 5.9% to S$392 million from a year ago, partly reflecting the impact of the economic slowdown. Compared to a quarter ago, revenue was stable.

Data revenue grew 8.6% year-on-year, with revenue momentum from earlier contract wins. On a sequential basis, revenue was stable.

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LLC, the largest component of Data revenue, grew 6.3% from a year ago but was flat against the preceding quarter. The year-on-year increase was driven by higher sales of Ethernet services.

With extended footprint in the international IP VPN market, Managed Services revenue was up 11% from a year ago. SingTel continued to enjoy success in bundling services with ICT solutions to create strong value propositions for the enterprise markets. Compared to a quarter ago, revenue from Managed Services was stable with growth in IP VPN partially offset by decline in Facility Management as the preceding quarter benefited from the ramp-up of Data Centre occupancy.

To help businesses improve productivity and reduce costs, in addition to offering 'Software-as-a-Service', SingTel launched EXPAN Grid Services, an 'Infrastructure-as-a-Service' which provides pay-per-use, on-demand and on-line high performance computing and storage solutions to business enterprises and public sector agencies. In July 2009, SingTel launched Singapore's first integrated cloud computing marketplace for businesses, an integrated online platform for the delivery of business applications and services on demand (SingTel Marketplace). In conjunction with this, SingTel also launched the SingTel Innovation Exchange to accelerate development of cloud computing services.

ILC revenue grew 6.8% year-on-year on increased sales of high bandwidth circuits as well as growth in Ethernet Virtual Private Line services. On a sequential basis, revenue fell 7.6%, due to price erosion as more customers migrated to higher bandwidth but this was partly offset by the increase in demand.

Internet revenue remained stable at S$109 million from a year ago and from the preceding quarter.

Fixed Broadband revenue was flat at S$90 million. SingTel gained over 2,000 Fixed Broadband lines in the quarter. As at 30 June 2009, the total number of lines was 500,000 lines, up 2.7% from a year ago.

With the increased popularity of bundled plans which offered greater value propositions, total customer base for mio Plan and mio Home bundles[1] grew to 134,000 as at 30 June 2009 with a net total of 18,000 customers added in the quarter. Two new mio Home plans were launched during the quarter to cater to customers requiring higher speed bundled plans.

[1] mio bundles comprised mio Plan (bundling of mobile, fixed broadband and fixed line) and mio Home (bundling of mio TV, fixed broadband and fixed line).

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Mobile Communications

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Cellular service [1]	372	347	7.1

Key Drivers	Quarter 30 Jun 2009	Quarter 31 Mar 2009	Quarter 30 Jun 2008	YOY Chge %
Number of mobile subscribers (000s)				
Prepaid	1,462	1,469	1,343	8.9
Postpaid	1,529	1,507	1,410	8.4
Total	**2,991**	**2,976**	**2,753**	**8.6**
MOUs per subscriber per month [2]				
Prepaid	315	327	337	-6.5
Postpaid [3]	370	366	370	-0.1
Average revenue per subscriber per month [2] [4] (S$ per month)				
Prepaid	14	15	14	-2.1
Postpaid	84	83	88	-4.4
Blended	**50**	**50**	**53**	**-6.1**
Data services as % of ARPU [5]	***32%***	***32%***	***32%***	
Acquisition cost per postpaid subscriber (S$)	**304**	**290**	**253**	20.2
Postpaid external churn per month [6]	*0.9%*	*0.9%*	*0.8%*	
Singapore mobile penetration rate [7]	***134.6%***	***132.6%***	***134.2%***	
Singapore mobile subscribers ('000s) [7]	***6,514***	***6,415***	***6,160***	
Market share [7]				
Prepaid	*45.8%*	*47.0%*	*44.6%*	
Postpaid	*46.0%*	*45.9%*	*44.8%*	
Overall	***45.9%***	***46.4%***	***44.7%***	

<u>Notes</u>:

(1) Cellular service revenue is determined net of bill rebates and net of prepaid sales discount, and includes revenue earned from mio plans and mobile broadband. It excludes revenue earned from international calls classified under "International Telephone" revenue, consistent with prior periods.

(2) Based on average subscribers, calculated as the simple average of opening and closing subscribers.

(3) Postpaid MOU is calculated based on voice plan customers only – i.e. it excludes customers with only data plan subscriptions.

(4) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.

(5) Include revenue from SMS, *SEND, MMS 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 the average subscribers.

(7) Source: IDA.

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Mobile Communications revenue for the quarter grew 7.1% to S$372 million on the back of a higher subscriber base. Compared to a quarter ago, revenue was stable.

Strong mobile revenue performance was achieved despite the decline in mobile roaming traffic as tourist arrivals and overseas travels fell with the economic slowdown.

SingTel gained 15,000 net mobile subscribers in the quarter despite the competitive and mature market. Total number of subscribers reached 2.99 million as at 30 June 2009, up 8.6% from a year ago. SingTel maintained its leadership position in the mobile market with an overall share of 45.9%.

Prepaid subscriber base declined by 7,000 during the quarter as a number of prepaid subscribers with improperly registered SIM cards were terminated. Net prepaid additions for the quarter would have been stable without this one-off adjustment compared to the preceding quarter. With 1.46 million subscribers, the prepaid segment constituted 49% of SingTel’s total mobile subscriber base, similar to a year ago. SingTel retained its lead in the prepaid market with a share of 45.8% as at 30 June 2009.

Prepaid ARPU declined to S$14 from S$15 a quarter ago due to lower usage and higher bundled bonus value. ARPU was stable compared to a year ago.

On the postpaid front, SingTel continued to innovate and deliver content-rich multimedia applications. During the quarter, SingTel was the first company in Asia to launch AMPed™, which provides postpaid mobile customers with an interactive social music experience by having unlimited music downloads, as well as access to exclusive showcases and breakthrough music services at affordable prices. To drive take-up, three new ‘Flexi AMPed’ price plans with free data bundles were introduced as part of this launch.

SingTel gained 22,000 net postpaid subscribers in the quarter, bringing total postpaid subscriber base to 1.53 million as at 30 June 2009, representing a market share of 46.0%.

On 10 July 2009, SingTel launched the new Apple iPhone 3GS and continued to be the only operator in Singapore to distribute the Apple iPhone.

3G mobile services continued to record strong net additions of 64,000 in the quarter. As at 30 June 2009, the total 3G mobile subscriber base reached 1.28 million and accounted for 84% of SingTel’s total postpaid base, up 4 percentage points from the preceding quarter.

Postpaid ARPU grew to S$84 from S$83 a quarter ago, as the proportion of higher-value customers increased. Year-on-year, however, ARPU fell from S$88, diluted by lower roaming traffic, increased adoption of multiple product plans with better bundled discounts as well as higher mix of ‘data’ only price plans.

Blended ARPU remained stable at S$50 from a quarter ago.

Mobile data services accounted for 32% of ARPU this quarter. Mobile broadband subscriber base[2] grew strongly by 29% or 51,000 in the quarter to 226,000 as at 30 June 2009 as more compelling value and premium bundling offers were introduced.

Postpaid churn remained stable at 0.9% in the quarter.

[2] Refer to mobile customers who registered for the monthly mobile broadband data subscription plans.

SECTION II : SINGAPORE

Acquisition cost per subscriber increased to S$304 from a year ago, reflecting marketing efforts to acquire higher-value customers.

IT and Engineering

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Revenue from NCS group [(1)]	258	181	42.1
Fibre rollout revenue [(2)]	14	-	nm
Total	**271**	**181**	**49.8**

NCS group segment revenue (%)	Quarter 30 Jun 2009	Quarter 30 Jun 2008
Geographical Markets		
Singapore	83%	77%
Overseas	17%	23%
Lines of Business		
Infrastructure Services [(3)]	68%	66%
Business Solutions [(4)]	32%	34%

Notes:

(1) Generated by NCS and its subsidiaries. Included billings to Optus of approximately S$21 million (Q1 FY2009: S$21 million) for the first quarter ended 30 June 2009.

(2) This revenue is for the roll out of fibre on behalf of OpenNet under Singapore's Next Generation National Broadband Network (NGNBN) initiative.

(3) Infrastructure Services include the full suite of managed services, network and communication engineering services, and value-added reselling and services.

(4) Business Solutions include applications management services and outsourcing, system integration and business process outsourcing.

IT and Engineering revenue grew 50% from a year ago with first-time fibre rollout revenue of S$14 million from OpenNet and the inclusion of SCS.

Revenue from the NCS group grew 42% year-on-year to S$258 million for the quarter. Boosted by SCS' contribution, NCS group's revenue from Singapore accounted for 83% of its total revenue, up 6 percentage points from a year ago. The increase further strengthened NCS' market position in the domestic market.

During the quarter, the NCS group won several significant contracts both locally and overseas.

In Singapore, major wins included the provision of hosting and application maintenance services for Land Transport Authority's One Motoring and Public Transport Portal, developing the Posting System for Secondary Schools for Ministry of Education, and the provision of application development services to enhance Media Development Authority's intranet.

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In the overseas markets, contracts were secured for the provision of IT services for the Electronics System for Cargo Manifest for Hong Kong's Customs and Excise and in Saudi Arabia for the provision of consultancy services in Intelligent Building for the Ministry of Higher Education.

During the quarter, NCS was named the 2008 Solution Excellence Partner of the Year by Cisco for the Asia Pacific market, a global recognition by Cisco of NCS' strong project management, customer excellence and quality competency.

International Telephone [1]

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
International (incl Malaysia) call revenue	120	129	-7.3
Inpayments and net transit	25	30	-17.1
Total	**145**	**159**	**-9.1**
International Telephone outpayments	**48**	**54**	**-11.3**
Net	**97**	**105**	**-8.0**
Margin %	***67%***	***66%***	

Key drivers	**Quarter 30 Jun 2009**	**Quarter 31 Mar 2009**	**Quarter 30 Jun 2008**	**YOY Chge %**
International telephone outgoing minutes (m mins) (excl Malaysia)	**567**	**576**	**610**	**-7.0**
Average collection rate - net basis (S$/ min) (excl Malaysia)	**0.183**	**0.181**	**0.188**	**-2.7**

Note:
(1) International telephone services include international calling cards, IDD calls and facsimile services into and out of Singapore, other international call services, corporate voice, video and audio conferencing and wholesale voice services. It also includes international telephone revenue earned from calls made from mobile phones.

International Telephone revenue for the quarter declined 9.1% from a year ago from a combination of lower call revenue, inpayments and net transit. Compared to a quarter ago, revenue was stable.

International call revenue fell 7.3% on lower traffic and collection rates. The decline in the average collection rate (excluding Malaysia) of 2.7% was driven by higher demand for cheaper voice services. The lower outgoing traffic of 7.0% arose mainly from the decline in prepaid "free IDD" traffic.

Inpayments and net transit were down 17% year-on-year from lower incoming and transit traffic volumes as well as lower inpayment rates.

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Net revenue declined 8.0% although margin improved 1 percentage point to 67% from a year ago.

National Telephone

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Direct exchange line (DEL)			
- rental	43	42	1.4
- traffic	20	22	-8.2
	63	64	-1.9
Others [1]	44	43	2.3
	107	107	-0.2
Inter-company eliminations	(7)	(6)	29.8
	100	**102**	**-1.9**

Key Drivers	**Quarter 30 Jun 2009**	**Quarter 31 Mar 2009**	**Quarter 30 Jun 2008**	**YOY Chge %**
Fixed working lines ('000s) [2]				
Residential	917	933	987	-7.1
Business	762	764	771	-1.2
Total	**1,679**	**1,697**	**1,758**	**-4.5**
Singapore fixed line penetration rate [3]	***38.9%***	***38.1%***	***40.6%***	
Singapore fixed working lines ('000s) [3]	**1,884**	**1,876**	**1,863**	
Fixed line market share [3]	***89.1%***	***90.5%***	***94.4%***	

Notes:
(1) Include revenue from enhanced telephone services, payphones, DEL interconnect and call management services such as 1900/1800 call services, Telepoll and mio Voice.
(2) Fixed working lines refer to Direct Exchange Lines (DEL) and mio Voice.
(3) Source: IDA.

Revenue from fixed line phone services declined 1.9% year-on-year to S$100 million mainly attributable to lower voice usage. The increase in rental revenue arose from the revised subscription rates effective January 2009.

Compared to a quarter ago, revenue was down by 1.5%.

The number of residential and business lines as at 30 June 2009 decreased 16,000 and 2,000 respectively from a quarter ago.

SECTION II : SINGAPORE

OPERATING EXPENSES
(Before Depreciation And Amortisation)

	Quarter 30 Jun		YOY Chge
	2009 S$ m	2008 S$ m	%
Selling & administrative	213	209	2.0
Staff costs	212	178	19.1
Traffic expenses	202	205	-1.2
Cost of sales	187	145	29.2
Repairs & maintenance	27	26	1.1
Others (1)	(8)	(6)	44.8
Total	**834**	**758**	**10.0**
Total	**834**	**758**	**10.0**
Less: Group and International Business corporate costs	(16)	(15)	7.6
Singapore Business	**818**	**743**	**10.1**

	Quarter 30 Jun	
As a percentage of operating revenue	**2009**	**2008**
Selling & administrative	15.4%	16.7%
Staff costs	15.3%	14.2%
Traffic expenses	14.6%	16.3%
Cost of sales	13.5%	11.6%
Repairs & maintenance	1.9%	2.1%
Others	-0.6%	-0.5%
Total	**60.3%**	**60.4%**
Singapore Business	**59.2%**	**59.3%**

Note:
(1) Include government grants and recoveries of costs.

Operating expenses increased 10% to S$834 million with the inclusion of SCS. On a sequential quarter, operating expenses decreased 8.0% reflecting disciplined cost management.

Staff Costs increased 19% and was the second largest expense at 15% of operating revenue.

Cost of Sales for the quarter included the first-time costs on the fibre rollout contract with OpenNet. In line with higher IT and Engineering revenue, overall Cost of Sales was up 29% year-on-year and accounted for 14% of operating revenue, up 1.9 percentage points from a year ago.

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Selling & Administrative Expenses

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Selling & administrative expenses	**213**	**209**	**2.0**
Singapore Business - Selling & administrative expenses	**208**	**203**	**2.6**

Selling & Administrative expenses increased from a year ago mainly due to higher content costs for mio TV, as well as higher mobile subscriber acquisition and retention costs from both increased connections and unit cost per line. The increases were partially offset by lower selling costs for fixed broadband and controlled spend on advertising and other discretionary expenses.

Traffic Expenses

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
International Telephone outpayments	48	54	-11.3
Mobile roaming outpayments	52	64	-18.6
Total outpayments	100	118	-15.3
Leases (1)	82	69	18.1
Interconnect	21	18	16.7
Traffic expenses	**202**	**205**	**-1.2**
Singapore Business - Traffic expenses	**202**	**205**	**-1.2**

Note:
(1) Leases comprise backhaul charges, Inmarsat satellite rental, cost of restoring cable breakages and leased circuit charges.

See Page 25 for an analysis of International Telephone outpayments relative to inpayments.

Traffic volume for both international calls and mobile roaming fell, resulting in lower outpayments and also lower related revenues for the quarter.

Lease expenses were up 18% from a year ago. The strong growth in IP VPN services and corporate data products had resulted in a corresponding increase in demand for leases of overseas ILC and cable. With higher fixed and mobile satellite revenue, leases of satellite circuits and transponder leases also increased in the quarter.

Interconnect expenses were up 17%, driven by higher volume of inter-operator SMS and associated revenue.

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Staff Costs

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Gross staff costs	209	176	18.7
Performance share costs (1)	7	6	26.3
	216	181	19.0
Capitalisation of staff costs (2)	(3)	(3)	9.7
Total, net	**212**	**178**	**19.1**
Singapore Business	**202**	**170**	**19.0**

Key Drivers	Quarter 30 Jun 2009	Quarter 31 Mar 2009	Quarter 30 Jun 2008	YOY Chge %
SingTel average number of staff	12,691	12,791	10,592	19.8
Revenue per staff (S$'000) (3)	109	114	118	-8.0
As at end of period:				
Number of staff				
NCS group (4)	5,761	5,892	3,868	48.9
SingTel and other subsidiaries	6,881	6,866	6,783	1.4
Singapore	**12,642**	**12,758**	**10,651**	**18.7**
Optus	**10,494**	**10,497**	**10,759**	**-2.5**
Total Group	**23,136**	**23,255**	**21,410**	**8.1**

Notes:
(1) Performance share expense for a share grant is amortised and recognised in the income statement on a straight line basis over the vesting period of 3 years from the date of the grant.
(2) The amounts represent capitalisation of direct staff costs in property, plant and equipment and/or inventories (work-in-progress) related to the fibre rollout contract with OpenNet.
(3) Based on average employee numbers.
(4) SCS group was consolidated from the December 2008 quarter.

Staff Costs grew 19% year-on-year on higher average headcount mainly attributed to the acquisition of SCS. Performance share costs were also higher due to higher fair values in the quarter.

During the quarter, job credits amounting to S$9 million (Q1 FY2009: Nil) were received from the Singapore Government under the Jobs Credit Scheme.

Overall headcount for Singapore, including SCS, was up 19% or 1,991 from a year ago to 12,642 as at 30 June 2009. Compared to a quarter ago, overall headcount at Singapore declined by 116 with hiring freeze as well as the divestment of SCS' Thai subsidiary in the quarter.

SECTION II : SINGAPORE

OTHER INCOME STATEMENT ITEMS

Depreciation And Amortisation

	Quarter 30 Jun		YOY
	2009 S$ m	2008 S$ m	Chge %
Depreciation of property, plant and equipment	124	110	13.1
Amortisation	3	1	271.4
	127	**111**	**14.7**
Depreciation as a percentage of operating revenue	***9.0%***	***8.8%***	

Depreciation expense grew 13% due to an increase in the cost of property, plant and equipment as well as the shortening of useful life of certain cable assets in the previous financial year.

Amortisation expense increased mainly due to intangible recognised from the acquisition of SCS.

Net Finance Expense

	Quarter 30 Jun		YOY
	2009 S$ m	2008 S$ m	Chge %
Net interest expense:			
- Interest income	1	6	-89.8
- Interest expense	(51)	(56)	-7.7
	(51)	**(50)**	**2.0**
Other finance (expense)/ income:			
- FRS 39 fair value adjustments (1)	*	*	nm
- Investment gain (2)	1	3	-65.4
- Net foreign exchange (loss)/ gain	(7)	10	nm
	(6)	**12**	**nm**
Net finance expense	**(57)**	**(38)**	**50.3**

Notes:

(1) Adjustment arose from the revaluation of trading investments at fair values at balance sheet date under FRS 39, *Financial Instruments: Recognition and Measurement*.

(2) Comprise mainly dividend income and realised gains or losses on disposals of investments held for resale.

Interest income declined 90% year-on-year on lower interest rates as well as decline in average cash balance.

Interest expense was down 7.7% for the quarter attributed to lower average borrowings and interest rates.

SECTION II : SINGAPORE

The net foreign exchange loss in the quarter arose mainly from the depreciation of US Dollar-denominated financial assets held for hedging purposes.

Taxation

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Taxation			
Current and deferred taxes **(a)**	68	69	-1.9
Tax benefit of inter-company interest expense	(28)	(36)	-22.9
Total	**40**	**33**	**21.2**
Effective tax rates based on :			
Singapore reported profit before tax	***10.6%***	***8.9%***	
Profit before tax	379	370	
Exclude :			
Exceptional items	-	(11)	
Net foreign exchange loss/ (gain) (non-trade)	7	(10)	
Adjusted pre-tax profit **(b)**	**386**	**350**	
Effective tax rate **(a)/(b)**	***17.6%***	***19.8%***	
Applicable statutory tax rate in the quarter [(1)]	***17.0%***	***18.0%***	

Note:

(1) The applicable statutory tax rate in June 2008 quarter was 18% as the effect of the reduction in tax rate to 17% was only accounted for in the March 2009 quarter.

The tax expense for the current quarter was provided based on the Singapore corporate tax rate of 17%. The effect of the reduction in tax rate from 18% to 17% for the last corresponding quarter was accounted for only in the March 2009 quarter following the announcement of the tax changes in January 2009.

Despite the lower corporate tax rate, overall tax expense increased due to lower net deferred tax credit of S$28 million recognised on current quarter’s interest expense on inter-company loans as a result of lower interest rates. The Australian Dollar-denominated deferred tax credit was also impacted by the weaker Australian Dollar.

SECTION II : SINGAPORE

SINGAPORE CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			
	30 Jun 2009 S$ m	30 Jun 2008 S$ m	31 Mar 2009 S$ m	YOY Chge %
Net cash inflow from operating activities				
Profit before tax	**379**	**370**	**405**	**2.2**
Non-cash items	191	144	165	32.6
Operating cashflow before working capital changes	570	515	569	10.7
Changes in operating assets and liabilities	(85)	(83)	116	2.6
	484	**432**	**686**	**12.3**
Cash paid to employees under performance share plans	(1)	(2)	(1)	-26.3
Tax paid on operating activities	(8)	(3)	(31)	215.4
Operating cash flow	**475**	**427**	**654**	**11.2**
Net cash outflow for investing activities				
Net loan to STAI from Optus (1)	5	*	177	nm
Withholding tax paid on interest received on inter-company loans	(1)	*	(17)	nm
Payment for purchases of property, plant and equipment	(146)	(140)	(189)	4.5
Drawdown of prepaid C2C submarine cable capacity	33	-	-	nm
Net investment in associates	(4)	(14)	1	-70.6
Others *(dividends and interest received etc)*	1	7	13	-84.6
	(111)	**(147)**	**(15)**	**-24.4**
Net cash outflow for financing activities				
Net decrease in borrowings	(237)	(590)	(12)	-59.9
Net interest paid on borrowings and swaps	(100)	(105)	(1)	-4.7
Interim dividends paid to shareholders	-	-	(891)	-
Proceeds from share issue	1	2	1	-25.0
Purchase of performance shares	(39)	(19)	(2)	110.2
Others	-	-	(1)	-
	(375)	**(712)**	**(906)**	**-47.3**
Net decrease in cash balance from Singapore	**(11)**	**(432)**	**(267)**	**-97.4**
Net decrease in cash balance from Singapore	**(11)**	**(432)**	**(267)**	**-97.4**
Dividends received from associates	91	125	99	-27.5
Withholding tax paid	(8)	(8)	(10)	-2.5
Net dividends received from associates	**83**	**117**	**89**	**-29.2**
Net increase/ (decrease) in cash and cash equivalents	**71**	**(316)**	**(177)**	**nm**
SingTel cash and cash equivalents at beginning	**725**	**1,250**	**900**	**-42.0**
Exchange effects on cash and cash equivalents	(17)	2	3	nm
SingTel cash and cash equivalents at end	**780**	**937**	**725**	**-16.8**
Singapore free cash flow	**329**	**288**	**465**	**14.4**
Free cash flow from associates' dividends	**83**	**117**	**89**	**-29.2**
Cash capex to operating revenue	***10.5%***	***11.1%***	***13.0%***	

Note:
(1) This inter-company loan was eliminated at the Group level.

SECTION II : SINGAPORE

Operating cash flow for the quarter grew 11% to S$475 million, driven by strong operational performance. Compared to a quarter ago, operating cash flow fell 27% attributable mainly to higher working capital with seasonality in timing of payments including annual staff bonus.

Cash outflow for investing activities was S$111 million in the quarter, mainly attributed to capital expenditure of S$146 million. Capital expenditure for the quarter increased a modest 4.5% year-on-year and represented 11% of operating revenue, comparable to a year ago. Major expenditure in the quarter included mobile network upgrades and expansion to support a larger mobile subscriber base as well as increased mobile broadband usage.

With strong operating cash flow, free cash flow from Singapore increased 14% to S$329 million from a year ago. Compared to a quarter ago, free cash flow was down 29% primarily due to lower operating cash flow.

Net cash outflow for financing activities of S$375 million arose mainly from net repayment of borrowings of S$237 million and interest payments of S$100 million. In the preceding quarter, S$891 million was paid for the interim dividend in respect of the previous financial year ended 31 March 2009.

Including net dividends of S$83 million received from the associates in the quarter, overall cash balance increased by S$55 million from a quarter ago to S$780 million as at 30 June 2009.

SECTION III : OPTUS

SINGTEL OPTUS PTY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2009

- **Operating revenue up 12%.**
- **Operational EBITDA up 2.1%.**
- **Operational EBITDA margin down 2.3 percentage points to 23.0%.**
- **Net profit up 13% to A$139 million.**
- **Free cash flow up 19% to A$139 million.**

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Operating revenue	2,198	1,956	12.4
Operational EBITDA	505	494	2.1
Operational EBITDA margin	*23.0%*	*25.3%*	
EBIT	223	207	8.0
Net profit	139	122	13.4
Free cash flow	139	117	19.3

SECTION III : OPTUS

OPTUS SUMMARY INCOME STATEMENTS – Singapore GAAP
For The First Quarter Ended 30 June 2009

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Operating revenue	**2,198**	**1,956**	**12.4**
Operating expenses	(1,704)	(1,474)	15.6
	493	482	2.4
Other income	11	12	-10.5
Operational EBITDA	**505**	**494**	**2.1**
- EBITDA margin	***23.0%***	***25.3%***	
Share of results of joint ventures	*	*	nm
EBITDA	**505**	**494**	**2.1**
Depreciation & amortisation	(281)	(288)	-2.2
EBIT	**223**	**207**	**8.0**
Net finance expense	(25)	(31)	-20.1
Profit before tax	**199**	**176**	**13.0**
Tax expense	(60)	(54)	11.9
Net profit after tax	**139**	**122**	**13.4**

Optus Mobile results have been disclosed as a division, consistent with general industry practice. Optus fixed line revenues have been presented in accordance with the organisational structure by customer segments.

SECTION III : OPTUS

REVIEW OF OPTUS OPERATING PERFORMANCE
For The First Quarter Ended 30 June 2009

In the first quarter, Optus reported an increase in operating revenue of 12%, with continuing strong mobile revenue growth from a customer base now exceeding 8 million.

In Mobile, Optus maintained its customer growth momentum, adding 213,000 new mobile and wireless broadband subscribers in the quarter (an increase of 109% compared to a year ago) of which 139,000 were in postpaid. The growth in postpaid was underpinned by continuing wireless broadband subscriber growth and demand for iPhone 3G and "Timeless" plans.

The popularity of the iPhone 3G continued through the quarter, complemented by attractive promotional offers and extending into the launch of the iPhone 3GS on 26 June 2009. This was reflected in the record number of iPhone 3G activations this quarter, which increased by almost 50% compared to the preceding quarter. Approximately 53% of the iPhone 3G activations this quarter were customers new to Optus.

During the quarter, Optus continued to deliver value to its mobile customers by introducing "monster caps" which included additional value for calls and text to Optus' mobiles and selected fixed lines within Australia. Selected "monster cap" offers included unlimited standard national SMS and MMS and free 5 minute standard calls to nominated Optus mobile or fixed lines within Australia for business customers. Further, Optus' mobile customers were able to access an increasing range of content services including exclusive new content and applications launched in the quarter such as Optus Football, SnapShare, Zoo Treats and Premium games packs.

Mobile EBITDA margin was at 25%. The iPhone 3G' acquisitions and recontracts reduced the EBITDA margin by 5 percentage points, but delivered accelerated growth in postpaid customer acquisitions..

New customer wins for Optus Business, including ANZ Bank, have resulted in strong ICT and Managed services revenue in the quarter. However growth of Optus Business' voice and data services has moderated as a result of weaker business sentiment. Despite slowing corporate revenues, EBITDA for Optus Business and Wholesale was up 13% with EBITDA margin up 1 percentage point at 23%.

In the Consumer Fixed business, Unbundled Local Loop (ULL) growth continued, with total ULL subscriber base reaching 458,000 as at 30 June 2009, up 22,000 subscribers from a quarter ago.

The increase in ULL subscriber base contributed to 32,000 on-net broadband additions in the quarter. The overall number of broadband subscribers grew 16,000 to 967,000, with on-net growth offset by decline in the resale base as Optus continued its exit from unprofitable fixed resale.

SECTION III : OPTUS

In Consumer and SMB Fixed, EBITDA declined 16% and margin was at 15%. In the corresponding quarter last year, EBITDA included the benefit of a A$14 million adjustment related to ACCC final determination on call diversion charges. Excluding this one-off benefit, underlying EBITDA grew 8.7%.
Operational EBITDA grew 2.1% or A$11 million year-on-year. Margin declined 2.3 percentage points to 23.0%, impacted by acquisition costs associated with the higher additions in mobile and wireless broadband.

Free cash flow amounted to A$139 million, up 19% attributable to higher EBITDA and improved working capital movements.

Net profit for the quarter grew 13% to A$139 million.

National Broadband Network (NBN)

On 7 April 2009, the Federal Government announced both the establishment of a new company to build and operate a high speed NBN delivering Fibre to the Premise (FTTP) across Australia at an estimated cost of A$43 billion, as well as a substantial review of the existing regulatory framework. Subsequent to this announcement, the Federal Government has received various submissions from the industry players on potential short term regulatory reforms. The Federal Government and the Tasmanian Government have also announced the rollout of a FTTP network in Tasmania and released a tender for the build of regional backhaul with a contribution of up to A$250 million from the Federal Government.

Optus has expensed A$8 million of costs to date, including A$1 million this quarter, to respond to the NBN tender requests and related submissions.

SECTION III : OPTUS

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2009 were as follows:

	Quarter		QOQ
	30 Jun 2009 A$ m	31 Mar 2009 A$ m	Chge %
Operating revenue	**2,198**	**2,103**	**4.5**
Operating expenses	(1,704)	(1,528)	11.5
Operational EBITDA	**505**	**584**	**-13.6**
Operational EBITDA margin	***23.0%***	***27.8%***	
Mobile	*25%*	*31%*	
Business & wholesale fixed	*23%*	*27%*	
Consumer & SMB fixed	*15%*	*15%*	
Profit before tax	**199**	**276**	**-28.1**
Net profit	**139**	**193**	**-28.1**
Free cash flow	**139**	**418**	**-66.7**

Operating revenue was higher by 4.5% due mainly to higher mobile service and equipment revenues and higher Business ICT and Managed services revenue.

Operational EBITDA declined this quarter by 14% or A$79 million, and margin was 4.8 percentage points lower, due to seasonality as well as an increase of approximately 50% in iPhone activations due to promotional activities in the quarter.

In the preceding quarter, Business and Wholesale fixed margin included the benefit of a one-off A$5 million interconnect pricing adjustment. Excluding this adjustment, underlying margin declined 2.4 percentage points to 23% due to revenue mix.

The lower free cash flow was driven by lower EBITDA and working capital movements, with seasonality in timing of payments including annual staff bonus and licence fees paid in the June quarter.

SECTION III : OPTUS

DIVISIONAL TOTALS

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Operating revenue by division:			
Mobile	1,335	1,107	20.6
Optus Business Fixed	353	331	6.5
Optus Wholesale Fixed	168	159	6.1
Consumer and SMB Fixed	345	363	-5.0
Less inter-divisional revenue (1)	(3)	(4)	-25.7
Total	**2,198**	**1,956**	**12.4**
Operational EBITDA by division:			
Mobile	334	327	2.0
Optus Business & Wholesale Fixed	121	107	12.5
Consumer and SMB Fixed	50	60	-16.2
Total	**505**	**494**	**2.1**
Operational EBITDA margins by division:			
Mobile	*25%*	*30%*	
Optus Business & Wholesale Fixed	*23%*	*22%*	
Consumer and SMB Fixed	*15%*	*17%*	
Total	***23.0%***	***25.3%***	

Note:

(1) Inter-divisional revenue represents mobile termination revenue for fixed to mobile calls originating from Optus customers.

In the quarter, the Mobile division contributed 61% to total revenue, 4% higher than the same quarter last year. Its contribution to operational EBITDA of 66% was comparable to the same quarter last year.

SECTION III : OPTUS

OPTUS MOBILE DIVISION

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Mobile communications revenue [1]			
Outgoing service revenue	883	769	14.9
Incoming service revenue	205	184	11.8
Service revenue	1,089	953	14.3
Equipment	246	154	59.5
Total Mobile revenue	**1,335**	**1,107**	**20.6**
Operational EBITDA [2]	**334**	**327**	**2.0**
- EBITDA margin	***25%***	***30%***	

Key Drivers	Quarter 30 Jun 2009	Quarter 31 Mar 2009	Quarter 30 Jun 2008	YOY Chge %
Number of mobile subscribers (000s)				
Prepaid	4,268	4,195	3,980	7.2
Postpaid [3]	3,734	3,595	3,258	14.6
Total	**8,002**	**7,789**	**7,238**	**10.5**
Mobile penetration rate [4]	***ND***	***ND***	***106%***	
MOUs per subscriber per month [5]				
Prepaid	79	81	77	2.5
Postpaid	198	189	172	14.9
ARPU per month (A$) [6]				
Prepaid	27	27	26	5.8
Postpaid	68	68	67	0.7
Blended	**46**	**46**	**44**	**3.8**
Data revenue as a % of service revenue				
- total data	***35%***	***35%***	***31%***	
- non-SMS data	***11%***	***10%***	***7.0%***	
Market share - total [4]	***ND***	***ND***	***32.2%***	
Retail postpaid churn rate per month [7]	***1.6%***	***1.7%***	***1.9%***	
% users through wholesale	***6%***	***6%***	***5%***	
Acquisition cost per subscriber	**A$226**	**A$163**	**A$155**	

Notes:

(1) Includes international outgoing and international incoming revenue.
(2) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.
(3) Includes bundled telephony and broadband products delivered over the 3G network.
(4) Penetration and market share are estimated by Optus based on published data.
(5) Based on average customers, calculated as the simple average of opening and closing customers. MOU includes outgoing minutes only. From June 2008, this calculation has been revised based on customers with voice plan only – i.e. it excludes customers with only wireless broadband.
(6) Based on average customers, calculated as the simple average of opening and closing customers. Excludes equipment revenue.
(7) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

SECTION III : OPTUS

Operating revenue for Mobile Division grew 21% to A$1.34 billion.

Customer growth of 11% delivered a second consecutive quarter of stellar outgoing service revenue growth of 15%. This result was achieved by strong postpaid service growth of 15% and prepaid growth of 13%.

Total net additions for the June quarter were 213,000, bringing year-on-year growth in net additions to 764,000. Postpaid customer growth continued with strong net additions of 139,000 this quarter, supported by strong demand for offerings such as the iPhone, “Timeless” and wireless broadband. The number of 3G subscribers[3] increased to 2.76 million, a 7% increase compared to a quarter ago, and this included a base of 586,000 Wireless Broadband[4] subscribers.

Incoming service revenue increased 12% this quarter driven by subscriber growth, increased voice and SMS terminating traffic. Termination rates remained at 9 cents per minute.

Equipment revenue increased by 60%, driven by higher volumes and sales of higher value handsets, particularly the iPhone 3G.

Blended ARPU this quarter increased by 3.8% from a year ago, reflecting the acquisition of higher value customers.

SMS and other data revenue was at 35% of ARPU, up from 31% a year ago with increased penetration of wireless data products. The proportion of non-SMS data revenue (including premium content SMS) grew to 11% of ARPU in the current quarter, compared to 7.0% a year ago.

The launch of iPhone 3G and “Timeless” plans, which are offered to consumer and small business segments, have further increased the penetration of capped plans into the base. A total of 84%[5] of new and recontracted postpaid customers chose capped plans this quarter. Approximately 56% of the total Optus postpaid mobile base were on capped plans as at 30 June 2009, 2 percentage points higher than a quarter ago and up from 42% a year ago[6].

Acquisition cost per subscriber was 39% higher compared to the preceding quarter, and 46% higher than a year ago, impacted by increased postpaid subsidies from the mix of higher value handsets including iPhone 3G and other smart phones offered on “Timeless” plans.

Operational EBITDA increased by 2.0% or A$7 million. However margin was 25%, down from 30% a year ago, with strong service revenue growth offset by higher acquisition costs driving customer growth, particularly for iPhone 3G and wireless broadband.

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[3] 3G subscribers are defined as subscribers who i) own a 3G device and ii) are provisioned with 3G Data Services access.

[4] Wireless Broadband subscribers are defined as subscribers provisioned with an HSPA broadband service. Excludes data packs attached to voice services.

[5] These cap penetration metrics exclude customers on Optus’ capped plans offered through Optus wholesale service providers. Including these customers, the percentage of total Optus postpaid customers on capped plans as at 30 June 2009 was 62% (March 2009: 59%), with 80% of total new and recontracted customers choosing capped plans in this quarter (March 2009: 76%).

[6] From June 2008, all calculations for capped plans have been amended to include customers with voice plans only.

SECTION III : OPTUS

By December 2008, Optus completed its 3G mobile network rollout on schedule to reach 96% population coverage. Optus continues to invest in transmission, backhaul capacity and additional mobile site coverage. Coverage will be extended to 98% of the population with the mobile network footprint exceeding 97% coverage by 31 March 2010. With this significant investment, Optus will be the only carrier capable of challenging the incumbent telco’s network on both coverage and speed.

SECTION III : OPTUS

OPTUS BUSINESS & WHOLESALE FIXED DIVISIONS

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Business revenue			
Voice	94	106	-11.2
Data and IP	119	121	-1.3
ICT and Managed Services	140	104	33.6
Total Business fixed revenue	**353**	**331**	**6.5**
Wholesale revenue			
Domestic Voice	33	23	45.6
International Voice	7	13	-45.7
Data and IP	65	58	12.4
Satellite	63	65	-3.2
Total Wholesale fixed revenue	**168**	**159**	**6.1**
Total Business & Wholesale fixed revenue	**521**	**490**	**6.4**
Operational EBITDA (1)	**121**	**107**	**12.5**
- EBITDA margin	***23%***	***22%***	

Key Drivers	Quarter 30 Jun 2009	Quarter 31 Mar 2009	Quarter 30 Jun 2008	YOY Chge %
Business voice minutes (m min)	1,206	1,220	1,389	-13.2
Wholesale domestic voice minutes (m min)	846	751	536	57.7
As at end of period:				
Buildings connected (2)	17,178	16,946	16,676	3.0

Notes:

(1) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.

(2) Directly connected buildings include all connections via all access media - fibre, DSL, fixed wireless, satellite and leases.

Total Business and Wholesale fixed revenue grew 6.4%, driven by strong growth in Optus Business ICT and Managed services and Wholesale domestic voice and data & IP revenues.

Optus Business continued to focus on its key strategies of growing IP VPN, expanding ICT and Managed Services business and managing legacy telco products. Optus Business fixed revenues grew 6.5% due to strong ICT and Managed Services revenue growth resulting from new customer contracts including ANZ Bank. Other significant wins during the quarter include the Australian Taxation Office (“**ATO**”) and Schenker Australia.

SECTION III : OPTUS

Optus Business' fixed voice revenue and Data and IP revenues declined 11% and 1.3% respectively, reflecting lower usage in an uncertain economic climate as corporate customers rationalised their telecommunication spend.

On 4 May 2009, the Group announced that it had reached an agreement with ANZ Bank on a A$500 million, five-year contract to provide telecommunications and managed network services. As part of the contract, SingTel and Optus will provide enhanced global communications for ANZ in Australia and another 30 countries across Asia and the Pacific, providing a single platform for the delivery of voice, data and managed services to more than 34,000 staff. Additionally, Optus announced on 16 June 2009 that it will implement and manage the latest generation IP network to more than 70 ATO offices utilising the Optus Evolve network.

Total Wholesale fixed revenue grew 6.1% year-on-year. Wholesale Data and IP revenues were up 12% with strong demand for Internet bandwidth and access. Domestic voice revenues grew 46% with growth from carrier customers and higher on-net traffic. International voice revenues decreased 46% with declining usage and rates for international inpayment traffic.

Satellite revenue declined 3.2% to A$63 million with reduced VSAT revenues and equipment sales. In June 2009, the Australian Broadcast Corporation renewed its agreement with Optus for the provision and management of satellite services.

Operational EBITDA for the combined division grew 13% to A$121 million. EBITDA margin increased 1 percentage point to 23%, mainly from higher margin on-net revenue streams and prudent cost management.

SECTION III : OPTUS

OPTUS CONSUMER AND SMB FIXED DIVISION

	Quarter 30 June		YOY Chge
	2009 A$ m	2008 A$ m	%
On-net			
Voice	129	125	3.5
Broadband	101	84	19.9
Pay TV	31	36	-13.5
Consumer Fixed on-net	**261**	**245**	**6.7**
Off-net			
Voice	25	46	-44.6
Broadband	10	18	-43.6
Dial-up	2	4	-44.4
Consumer Fixed off-net	**38**	**68**	**-44.4**
Consumer Fixed revenue	**299**	**313**	**-4.4**
SMB			
Voice	34	39	-12.8
Data and IP	12	11	6.4
SMB fixed revenue	**46**	**50**	**-8.4**
Total Consumer & SMB fixed revenue	**345**	**363**	**-5.0**
Operational EBITDA (1)	**50**	**60**	**-16.2**
- EBITDA margin	***15%***	***17%***	

Key Drivers	Quarter 30 Jun 2009	31 Mar 2009	30 Jun 2008	YOY Chge %
On-net ARPU (A$) (2)				
Voice	53	54	55	-4.4
Broadband	46	43	42	8.8
Telephony customers ('000)				
HFC (3)	521	525	532	-2.1
ULL (4)	458	436	368	24.5
On-net	**979**	**961**	**900**	**8.8**
Resale	119	131	258	-53.9
Long distance only	23	31	41	-43.8
Off-net	**142**	**162**	**299**	**-52.6**
HFC bundling rate (5)	*86%*	*81%*	*81%*	
HFC penetration	***37%***	***37%***	***38%***	
Internet customers (000s)				
On-net				
HFC broadband	429	424	415	3.4
ULL broadband (4)	421	394	311	35.0
Business grade broadband (6)	30	30	27	13.9
	880	848	753	16.8
Off-net				
Broadband	86	103	164	-47.5
Broadband subtotal	**967**	**951**	**918**	**5.3**
Dial-up	53	69	117	-54.8
Total Internet customers	**1,020**	**1,019**	**1,035**	**-1.5**

SECTION III : OPTUS

Notes:

(1) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.
(2) Per month, based on average HFC and ULL customers.
(3) Includes all customers who take local telephony over the HFC network, and customers who take one or more of pay TV or cable internet services over the HFC network.
(4) Include wholesale ULL subscribers.
(5) Based on customers who are receiving a "bundled benefit" from taking a package of products (local telephony plus at least one of broadband, dial-up internet or pay TV).
(6) Revenue associated with the business grade retail broadband customers is included within Optus Business fixed segment.

Consumer fixed on-net revenue grew by 6.7%, driven by the higher number of ULL customers and continued demand for Optus Fusion, the innovative fixed telephony and broadband bundle. At 30 June 2009, Optus has 458,000 ULL customers, up from 436,000 a quarter ago and 368,000 a year ago.

Consistent with its strategy of focusing on on-net subscriber growth, Optus continued to exit the unprofitable resale services. Accordingly, off-net revenue declined by 44% and contributed to an overall revenue decrease of 4.4% for Consumer Fixed. The proportion of on-net revenue in Consumer fixed was 87% in the quarter, up from 78% a year ago.

SMB fixed revenue declined 8.4% with growth from on-net internet services offset by declining off-net voice revenue.

On-net broadband revenue grew 20% in a market with an increasing mix of lower-priced broadband plans. On-net broadband customers increased 17% to 880,000 and accounted for 91% of the total broadband customer base. Broadband customers (including business grade customers) totalled 967,000, an increase of 49,000 or 5.3% from a year ago.

In the same quarter last year, EBITDA included the benefit of a A$14 million adjustment related to the ACCC final determination on call diversion charges. Excluding this, underlying EBITDA grew 8.7% to A$50 million, with margin expansion of 2 percentage points to 15%. The increase was driven by higher on-net revenue mix and yield management initiatives.

SECTION III : OPTUS

OPTUS OPERATING EXPENSES
(Before Depreciation and Amortisation)

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Interconnect	316	285	11.2
Outpayments & other leases	64	55	14.6
Traffic expenses	380	340	11.7
Selling & administrative	638	542	17.9
Cost of sales	392	288	36.3
Staff costs	279	295	-5.4
Repair & maintenance and others	52	50	3.2
Capitalisation of costs (1)	(37)	(40)	-8.5
Total	**1,704**	**1,474**	**15.6**
As a percentage of operating revenue			
Traffic expenses	17%	17%	
Selling & administrative	29%	28%	
Cost of sales	18%	15%	
Staff costs	13%	15%	
Repair & maintenance and others	2%	3%	
Capitalisation of costs (1)	-2%	-2%	
	78%	**75%**	

	Quarter 30 Jun 2009	Quarter 31 Mar 2009	Quarter 30 Jun 2008	YOY Chge %
Staff statistics				
Number of employees, at end of period	10,494	10,497	10,759	-2.5
Average number of employees	10,462	10,536	10,721	-2.4
Revenue per employee (A$'000) (2)	210	200	182	15.3

Notes:
(1) Capitalisation relates primarily to staff costs.
(2) Based on average employee numbers.

Operating expenses increased by 16% in the current quarter primarily driven by increases in Traffic expenses, Selling & administrative expenses and Cost of Sales.

Traffic expenses grew 12% with increased mobile and outgoing international traffic as capped plan penetration in the mobile subscriber base continued to grow. This was partially offset by lower off-net fixed line traffic as a result of Optus' continued on-net focus.

Selling & Administrative expenses were up 18%. The increase was due mainly to higher mobile acquisition and recontract costs associated with the iPhone 3G and "Timeless" initiatives which delivered strong net additions.

Cost of Sales increased by 36% in line with higher mobile equipment and ICT revenues.

Staff costs declined 5.4% reflecting careful headcount and cost management.

SECTION III : OPTUS

OTHER INCOME

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Sublease income	8	8	-
Foreign exchange losses	(3)	*	nm
Other	6	5	29.2
Total	**11**	**12**	**-10.5**

Other income was flat with foreign exchange losses offset by growth in other items.

OTHER INCOME STATEMENT ITEMS

Depreciation and Amortisation

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Depreciation and amortisation expense	281	288	-2.2
As a percentage of operating revenue	***13%***	***15%***	

Depreciation and amortisation expense declined 2.2% with growth from newly capitalised assets offset by the retirement of a number of fully depreciated IT assets.

SECTION III : OPTUS

Net Finance Expense

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Interest expense	22	37	-41.7
Interest capitalised	(1)	(2)	-42.1
	20	35	-41.4
Interest income	(2)	(6)	-69.8
Net interest expense	**19**	**29**	**-35.2**
Other finance costs			
Unwinding of discounts, incl adjs	1	1	10.0
Revaluation gain of FX contracts	5	1	354.5
Total	**25**	**31**	**-20.1**

Net interest expense declined 35% to A$19 million primarily due to lower average debt levels and lower cost of borrowing.

Taxation

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Optus' Australian income tax expense	60	54	11.8
Share of joint venture income tax expense	*	-	-
	60	**54**	**11.9**

The income tax expense reflected primarily the Australian statutory tax rate of 30% together with variations between accounting and taxable income.

SECTION III : OPTUS

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			YOY Chge %
	30 Jun 2009 A$ m	30 Jun 2008 A$ m	31 Mar 2009 A$ m	
Net cash inflow from operating activities				
Profit before tax	**199**	**176**	**276**	**13.0**
Non-cash items	308	319	311	-3.7
Operating cashflow before working capital changes	506	495	588	2.2
Changes in operating assets and liabilities	(117)	(131)	84	-11.2
Net cash inflow from operating activities	**390**	**364**	**671**	**7.0**
Net cash outflow from investing activities				
Purchases of property, plant and equipment	(250)	(247)	(253)	1.2
Loan to STAI	-	*	(167)	nm
Others	2	6	3	-63.5
	(248)	**(241)**	**(417)**	**2.8**
Net cash outflow from financing activities				
Net decrease in bank borrowings	(178)	(59)	(195)	200.8
Purchase of SingTel shares	(11)	(10)	*	3.8
Net interest paid on borrowings and swaps	(27)	(32)	(46)	-17.5
	(216)	**(102)**	**(241)**	**111.3**
Net (decrease)/increase in cash and cash equivalents	**(74)**	**21**	**13**	**nm**
Cash and cash equivalents at beginning	335	97	321	246.4
Cash and cash equivalents at end	**260**	**117**	**335**	**122.0**
Free cash flow	**139**	**117**	**418**	**19.3**
Cash capital expenditure to operating revenue	***11%***	***13%***	***12%***	

In the quarter, operating cash flow amounted to A$390 million, A$26 million higher than the same quarter last year with higher EBITDA and more favourable working capital movements.

Cash capital expenditure was at approximate levels to the same quarter last year, and represented 11% of operating revenue, down 2 percentage points from a year ago.

SECTION III : OPTUS

Capital expenditure by division

	Quarter 30 June 2009 A$ m	Quarter 30 June 2008 A$ m	YOY Chge %
Mobile	134	116	15.8
Business & Wholesale fixed	43	81	-46.4
Consumer & SMB fixed	20	20	-2.5
Other	53	30	75.7
Total	**250**	**247**	**1.2**

In the quarter, capital expenditure for the Mobile division was A$134 million or 54% of Optus' total capital expenditure. Of this amount, A$100 million was for the expansion of Optus' 3G and High Speed Packet Access (HSPA) network.

The capital expenditure of A$43 million for the Optus Business and Wholesale fixed division was largely for the D3 satellite as well as Customer Access Transmission and IP networks.

In Consumer and SMB fixed division, the capital expenditure of A$20 million primarily represented costs of new customer connections.

Other capital expenditure comprised mainly investment in core network infrastructure and capital spend related to the upgrade of Optus' offices in Victoria upon consolidation of various call centre and office sites.

SECTION IV: ASSOCIATES/ JOINT VENTURES

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2009

- **Pre-tax profit contributions from associates grew 13% to S$647 million.**

- **On a post-tax basis, earnings from associates increased 16% to S$497 million and contributed 53% to the Group's underlying net profit, up from 50% a year ago.**

- **The contributions were negatively impacted by depreciation of 4% to 9% in the major regional currencies against the Singapore Dollar. If the regional currencies were held constant from the same quarter last year, the pre-tax and post-tax profit contributions from the associates would have increased 19% and 23% respectively.**

- **The Group's combined mobile subscriber base[7] increased 5.1% or 13 million in the quarter to 262 million. Year-on-year, the subscriber base was up 33% or 64 million. On a proportionate share basis, the increase was 4.5% to 92 million subscribers from a quarter ago.**

[7] Combined mobile subscriber base here refers to the total number of mobile subscribers in SingTel, Optus and the regional mobile associates.

SECTION IV : ASSOCIATES/ JOINT VENTURES

	Equity Int %	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Regional mobile associates				
Bharti Telecom / Bharti Airtel [5]	30.4			
- *operating results*		249	250	-0.2
- *fair value gains/ (losses)* [2]		23	(15)	nm
		272	235	15.8
Telkomsel	35.0			
- *operating results*		228	221	3.4
- *fair value gains* [2]		17	1	@
		245	221	10.7
Globe Telecom [3]	47.3			
- *operating results*		67	70	-4.1
- *fair value gains/ (losses)* [2]		*	(8)	nm
		68	62	9.0
AIS [4]	21.3	58	66	-13.1
Pacific Bangladesh Telecom Ltd **("PBTL")**	45.0	(4)	(6)	-41.9
Warid	30.0			
- *operating results*		(14)	(17)	-15.8
- *fair value losses* [2]		(1)	(5)	-82.6
		(15)	(22)	-30.0
		624	**557**	**12.0**
Other SingTel associates				
Singapore Post	25.6	12	13	-2.4
Southern Cross	40.0	6	(3)	nm
Others		5	4	14.6
SingTel share of ordinary results (pre-tax)		**647**	**570**	**13.4**
Optus share of ordinary results (pre-tax)		*****	*****	**nm**
Group share of ordinary results (pre-tax)		**647**	**570**	**13.4**
Exceptional items ("EI")				
Telkomsel - recognition of prior years' frequency fees		-	(15)	nm
AIS - write back of over provision for concession rights payable		-	16	nm
Teletech Park - write back of impairment charge no longer required	40.0	-	4	nm
Group share of EI		**-**	**4**	**nm**
SingTel share of pre-tax profit		**647**	**574**	**12.6**
Optus share of pre-tax profit		*****	*****	**nm**
Group share of pre-tax profit [5]		**647**	**574**	**12.6**

SECTION IV : ASSOCIATES/ JOINT VENTURES

Notes:

(1) The accounts of the associates are prepared based on Singapore Financial Reporting Standards. Where applicable, the accounting policies of the associates have been restated to ensure compliance with the Group's accounting policies.

(2) Fair value gains or losses arose from mark-to-market of foreign currency liabilities, net of related hedging, if any.

(3) In June 2008, the Group increased its shareholding in Globe from 44.47% to 47.34%.

(4) AIS' financial year end is December. The Group equity accounted for its share of AIS' results based on the financials for the quarter ended 31 March 2009. One-off transactions between 1 April 2009 and 30 June 2009 which are material are also accounted by the Group in the current quarter.

(5) Excludes share of Bharti's exceptional dilution gain on Infratel (Q1 FY 2009: S$8 million, nil for the current quarter), classified as part of exceptional items of the Group.

	Quarter 30 Jun				YOY Chge
	2009		2008		
	S$ m	% [1]	S$ m	% [1]	%
Post-tax profit contribution					
Bharti Telecom/ Bharti Airtel [2]	231	24	202	24	14.4
Telkomsel					
- ordinary results	176		153		14.9
- exceptional item	-		(11)		nm
	176	19	143	17	23.5
Globe Telecom	47	5	40	5	20.0
AIS					
- ordinary results	40		47		-14.2
- exceptional item	-		11		nm
	40	4	57	7	-30.4
PBTL	(4)	**	(6)	(1)	-40.0
Warid	(15)	(2)	(22)	(3)	-32.0
Regional mobile associates	**477**	**50**	**414**	**48**	**15.2**
Others	20	2	14	2	46.7
SingTel share of post-tax profit	**497**	**53**	**428**	**50**	**16.2**
Optus share of post-tax profit	**1**	**	*	**	**nm**
Group share of post-tax profit [2]	**497**	**53**	**427**	**50**	**16.3**

Notes:

(1) This denotes the post-tax profit contribution of the associate to the Group's underlying net profit.

(2) Excludes the Group's share of Bharti's exceptional dilution gain on Infratel.

	Quarter 30 Jun		YOY Chge
	2009 S$ m	2008 S$ m	%
SingTel share of associates' tax	(150)	(147)	2.2
Optus share of associates' tax	*	*	nm
Group share of associates' tax (a)	**(149)**	**(147)**	**1.8**
Group share of pre-tax results (b)	**647**	**574**	**12.6**
Effective tax rate (a)/(b)	***23.1%***	***25.6%***	

SECTION IV : ASSOCIATES/ JOINT VENTURES

Despite weaker regional currencies, the Group's share of pre-tax and post-tax profits from the associates recorded double-digit increase of 13% and 16% respectively from the last corresponding quarter as a result of improved operational performance of Telkomsel and fair value gains on mark-to-market valuations of foreign currency denominated liabilities. The associates contributed 53% to the Group's underlying net profit, up 3 percentage points from 50% a year ago.

The major regional currencies depreciated by 4% to 9% against the Singapore Dollar from a year ago. If the regional currencies were held constant from the same quarter last year, the Group's share of pre-tax and post-tax profits from the associates would have increased by 19% and 23% respectively.

Bharti Telecom Group ("Bharti")

Bharti is India's leading private sector provider of telecommunications services, offering mobile, fixed line, long distance, broadband and enterprise services. In 2008, the Company started providing DTH (Direct to Home) and IPTV services. It is listed on the National Stock Exchange and the Stock Exchange, Mumbai and is the first private telecom operator with an 'all India' presence offering mobile services in all 22 licenced circles. Bharti is the largest mobile phone operator in India with 24.0% market share of the total wireless subscriber base.

In Indian Rupee terms, Bharti's pre-tax operating profit (before fair value gains) increased 8.4%. Operating revenue was up 17% on a higher subscriber base but was impacted by the recent cut in domestic call termination charge from 0.30 rupees per minute to 0.20 rupees. With strong competitive pressure and aggressive expansion into the low-income rural areas, ARPU fell 20% and MOU declined 11% from a year ago. Compared to the preceding quarter, pre-tax operating profit was stable despite a higher subscriber base, due to intensified competition.

Bharti's results in this quarter were boosted by fair value gains on mark-to-market valuation of its foreign currency denominated liabilities as the Rupee gained 6% (Q1 FY 2009: -7%) against the US Dollar and 4% (Q1 FY 2009: -1%) against the Japanese Yen. The Group's share of the fair value gains amounted to S$23 million, compared to a loss of S$15 million a year ago. Including the fair value gains and with the Indian Rupee depreciating 9% year-on-year against the Singapore Dollar, the overall pre-tax profit contribution from Bharti for the quarter was up 16% to S$272 million.

On a post-tax basis, profit from Bharti was up 14% to S$231 million, contributing 24% to the Group's underlying net profit, stable from a year ago.

Bharti achieved its highest ever net additions of 8.4 million mobile subscribers this quarter, up from 8.3 million added in the preceding quarter. This was despite the entry of more GSM competitors in the India market.

In the current quarter, Bharti's subscriber base crossed the 100 million mark to end at 102.4 million mobile subscribers, or 105.2 million total subscribers (including fixed line base) as at 30 June 2009.

In June 2009, Bharti was named the Service Provider of the Year and Wireless Service Provider of the Year in the Asia Pacific region at the 2009 Frost & Sullivan Asia Pacific ICT Awards.

SECTION IV : ASSOCIATES/ JOINT VENTURES

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular communications services in Indonesia with over 28,000 radio base stations (including 3G Node B) providing nationwide coverage.

In Indonesian Rupiah terms, Telkomsel recorded year-on-year growth in operating revenue of 12% mainly from an increase in MOU and a larger subscriber base. Operating expenses and depreciation were up in line with its network upgrade and expansion.

The Group's share of pre-tax profit of Telkomsel increased 19% to S$245 million as the Indonesian Rupiah depreciated by 6% against the Singapore Dollar from a year ago. The profit included fair value gains of S$17 million (Q1 FY 2009: S$1 million) arising from mark-to-market of its foreign currency denominated vendor payables as the Indonesian Rupiah appreciated 12% (Q1 FY 2009: stable) against the US Dollar, and 6% (Q1 FY 2009: stable) against the Euro in the current quarter.

Compared to the preceding quarter, the Group's share of overall pre-tax profit from Telkomsel was up 43% or S$74 million, mainly due to improved operational performance and fair value gains, compared to fair value losses of S$4 million recorded in the March 2009 quarter.

Telkomsel's post-tax contribution rose a strong 24% year-on-year to S$176 million as the Indonesian corporate tax rate was cut from 30% to 28% from January 2009. Telkomsel contributed 19% to the Group's underlying net profit, up 2 percentage points from 17% a year ago.

In the current quarter, Telkomsel added 3.9 million new mobile subscribers, following 6.8 million added in the preceding quarter upon the successful launch of simPATI Talkmania campaign. The latest additions lifted the total mobile subscriber base to 76.0 million, an increase of 45% or 23.6 million from a year ago. As at 30 June 2009, Telkomsel's market share was 51.1%, up 1.6 percentage points from a quarter ago.

Telkomsel continued to extend its leadership in both coverage and quality. During the quarter, it deployed an additional 681 radio base stations, compared to the 928 base stations installed in the preceding quarter.

Globe Telecom, Inc ("Globe")

Globe is the second largest mobile communications service provider in the Philippines and is listed on the Philippine Stock Exchange.

In Philippine Peso terms, the Group's share of operating profit from Globe was stable. Including the fair value gain arising from the 1% (Q1 FY 2009: -7%) appreciation of the Peso against the US dollar, the total pre-tax profit contribution from Globe was up 13%.

In Singapore Dollar terms, the Group's share of pre-tax profit was up 9.0% as the Peso weakened 4% against the Singapore Dollar.

Compared to the preceding quarter, Globe's pre-tax profit fell by 22% or S$19 million due to the increases in mobile subsidies and marketing expenses following new product launches and brand refresh initiatives, as well as higher depreciation expenses. The March 2009 quarter also included exceptional gain of S$9 million on the disposal of assets.

SECTION IV : ASSOCIATES/ JOINT VENTURES

The corporate tax rate was reduced from 35% to 30% with effect from January 2009. Consequently, the Group's share of Globe's post-tax profit was up 20% year-on-year to S$47 million. This constituted 5% of the Group's underlying net profit, stable from a year ago.

During the quarter, Globe churned out some of its marginal mobile subscribers as it recalibrated its acquisition efforts. As such, it registered a net reduction in its mobile subscriber base of 0.7 million in the June quarter, compared to the net addition of 1.0 million in the preceding quarter. The churn was mainly for the TM brand, which focused on the value-conscious segment of the market. As at 30 June 2009, its total subscriber base was 25.0 million, up 10% or 2.3 million from a year ago, and its market share was 33.9%, down 1.8 percentage points from a quarter ago.

Advanced Info Service ("AIS")

AIS is the largest mobile communications operator in Thailand. As at 30 June 2009, it was the third largest listed company on the Stock Exchange of Thailand in terms of market capitalisation.

AIS' pre-tax ordinary profit for the quarter ended 31 March 2009 was down 13% year-on-year in Thai Baht terms. The decline was mainly due to lower voice and international roaming revenues from weak macro-economic conditions and political instability, partly offset by lower operating expenses. Including the one-off exceptional gain on write back of concession payable recorded in the corresponding quarter last year, AIS' overall pre-tax profit fell 30% in Thai Baht terms. In Singapore Dollar terms, the Group's share of AIS' pre-tax profit was down 30% to S$58 million with the Thai Baht stable against the Singapore Dollar.

Compared to the preceding quarter, the Group's share of pre-tax profit increased by 14% or S$7 million on the back of the rebound in non-voice and international roaming revenues after the Bangkok airport closure in the December 2008 quarter.

AIS contributed 4% to the Group's underlying net profit, down 3 percentage points from 7% a year ago.

AIS added 320,000 mobile subscribers in the June quarter, significantly higher than 112,000 added in the preceding March quarter. Year-on-year, AIS' subscriber base grew 7.5% or 1.9 million to 27.9 million. As at 30 June 2009, AIS continued to lead the market with approximately 44% market share.

Pacific Bangladesh Telecom Limited ("PBTL")

PBTL is the only CDMA operator in Bangladesh.

Year-on-year, the Group's share of PBTL's pre-tax losses decreased 42% or S$3 million. This was mainly attributable to growth in operating revenue of 11% on a higher subscriber base with ARPU remaining stable. Acquisition costs also declined from lower handset subsidies. PBTL recorded positive EBITDA in the current quarter.

Against the preceding quarter, PBTL's pre-tax losses were higher mainly due to the absence of the one-off capital gain on sale of fixed assets recorded in March 2009 quarter, partly offset by higher airtime revenue from the increase in subscriber base.

SECTION IV : ASSOCIATES/ JOINT VENTURES

As at 30 June 2009, PBTL's total mobile subscriber base was 2.0 million, up 15% or 261,000 from a year ago. PBTL added 91,000 mobile subscribers in the current quarter, higher than the 64,000 added in the preceding quarter.

Warid Telecom (Private) Limited ("Warid")

Warid is the fourth largest mobile operator in Pakistan. It launched its services in May 2005 and has a 15-year licence to operate GSM-mobile services in Pakistan, Azad Jammu and Kashmir, and the Northern areas.

Year-on-year, the pre-tax losses from Warid fell by 30% to S$15 million, partly mitigated by the Pakistani Rupee depreciating 13% against the Singapore Dollar. The lower losses were due to an increase in operating revenue of 5% as well as lower staff and marketing expenses, partly offset by higher depreciation as its base transceiver stations grew to 4,444 from 3,340 a year ago. In this quarter, Warid recognised lower fair value losses on mark-to-market valuation of its US Dollar denominated liabilities including its licence fee payable, as the Pakistani Rupee declined by 1% (Q1 FY 2009: -8%) against the US Dollar. The Group's share of this fair value loss was S$1 million, compared to S$5 million in the same quarter last year.

Against the preceding quarter, the Group's share of pre-tax losses from Warid declined by 38% or S$9 million. This was mainly due to higher operating revenue as well as lower operating and finance expenses.

Warid added 511,000 net mobile subscribers this quarter, higher than the 462,000 added in the preceding quarter. As at 30 June 2009, Warid's total mobile subscriber base was 17.9 million, up 15% or 2.4 million from a year ago.

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 Singapore GAAP and is not intended to replace the financial statements prepared in accordance with Singapore GAAP. 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.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Proportionate operating revenue	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Group operating revenue			
Singapore Business	1,383	1,254	10.3
Optus	2,465	2,523	-2.3
	3,848	**3,777**	**1.9**
Proportionate share of operating revenue of associates			
Regional mobile associates	1,489	1,442	3.3
Singapore associates	54	54	0.4
Other overseas associates	31	23	32.5
	1,574	**1,519**	**3.6**
Enlarged revenue	**5,421**	**5,296**	**2.4**
% of overseas revenue to enlarged revenue	***73%***	***75%***	

In the quarter, overseas revenue contributed 73% to the Group's enlarged revenue, down 2 percentage points from a year ago as the Australian Dollar and major regional currencies depreciated against the Singapore Dollar.

Proportionate EBITDA [1]	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Operational EBITDA			
Singapore Business	578	523	10.6
Optus	566	638	-11.2
Group and Int'l business net corporate costs	(16)	(15)	7.6
	1,128	**1,146**	**-1.5**
Proportionate share of EBITDA of associates			
Regional mobile associates	938	854	9.9
Singapore associates	21	21	3.4
Other overseas associates	19	14	34.0
	979	**889**	**10.1**
Total proportionate EBITDA	**2,107**	**2,035**	**3.6**
Overseas EBITDA as a % to total EBITDA	***72%***	***74%***	
Contributions to total proportionate EBITDA			
Regional mobile associates	45%	42%	
Australia	27%	31%	
Singapore	28%	26%	
Others	1%	1%	
	100%	**100%**	

Note:
(1) Proportionate EBITDA represents the Group's effective interests in the respective entities' EBITDA. As such, proportionate EBITDA does not represent EBITDA available to the Group.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Through its investments in key markets overseas, the Group has diversified its earnings base. Overseas operations contributed 72% to proportionate EBITDA, down 2 percentage points from a year ago mainly due to weaker currencies.

Proportionate share of mobile subscribers [(1)]	Total Number			Prorata Number		
	30 Jun 2009	31 Mar 2009	30 Jun 2008	30 Jun 2009	31 Mar 2009	30 Jun 2008
(In 000s)						
SingTel Mobile	2,991	2,976	2,753	2,991	2,976	2,753
Optus	8,002	7,789	7,238	8,002	7,789	7,238
	10,993	**10,765**	**9,991**	**10,993**	**10,765**	**9,991**
Regional Mobile Associates						
- Bharti	102,368	93,923	69,384	30,443	27,962	20,690
- Telkomsel	76,013	72,133	52,442	26,605	25,247	18,355
- AIS	27,902	27,582	25,965	5,954	5,889	5,543
- Globe	25,024	25,737	22,738	11,846	12,184	10,764
- Warid	17,887	17,376	15,490	5,366	5,213	4,647
- PBTL	1,965	1,874	1,704	884	843	767
	251,160	**238,624**	**187,723**	**81,098**	**77,338**	**60,766**
Group	**262,153**	**249,389**	**197,714**	**92,091**	**88,103**	**70,757**

Note:
(1) Proportionate share of mobile subscribers represents the number of mobile subscribers of an associate multiplied by the Group's effective percentage ownership in the venture at the respective dates.

Despite stiff competition in their home markets and the global economic slowdown, the six regional associates posted mobile subscriber growth of 7.5% to 48% compared to a year ago.

As at 30 June 2009, Bharti's subscriber base constituted 39% of the Group's combined mobile subscriber base, up 4 percentage points from 35% a year earlier.

The Group's combined mobile subscriber base grew 5.1% or 13 million to 262 million from a quarter ago. Year-on-year, the total subscriber base was up 33% or 64 million. On a proportionate share basis, the increase was 4.5% to 92 million subscribers from a quarter ago.

DIVIDENDS RECEIVED FROM ASSOCIATES/ JOINT VENTURES [(1)]

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Regional mobile associate			
AIS [(2)]			
- final dividend FY2008 / FY2007	89	90	-1.6
Other associates			
Southern Cross [(3)]	-	28	nm
Others	2	6	-73.4
Total	**91**	**125**	**-27.5**

SECTION IV : ASSOCIATES/ JOINT VENTURES

Notes:

(1) The dividends received from overseas associates as stated here are before withholding tax payments.

(2) AIS' dividend policy is to pay dividend of not less than 40% of its consolidated net profit, provided that there is no default of principal or interest payment on its debentures. The dividend payout ratio will also depend on AIS' cash flow and investment requirements and it shall not exceed its retained earnings. AIS declared a full year dividend of 114% on net profit for its 2008 financial year (FY 2007: 114%). The interim and final dividends were paid out in September 2008 and May 2009 respectively.

(3) Southern Cross does not have a fixed dividend policy.

(4) Telkomsel declared a full year dividend of 80% on net profit for its 2008 financial year (FY 2007: 85%). The Group's share of the final dividend is approximately S$447 million, of which S$214 million was paid in July 2009. The remaining amounts of approximately S$178 million and S$55 million are expected to be received in September 2009 and in the March 2010 quarter respectively.

(5) Globe's ordinary dividend payout ratio is approximately 75% of the prior year's net profit, payable semi-annually in March and September of each year. Its first semi-annual dividend for 2008 financial year was paid in March 2009. The Group expects to receive the second semi-annual dividend of approximately S$60 million in the September 2009 quarter.

The dividends received from the associates for the quarter ended 30 June 2009 decreased 28% to S$91 million, largely due to Southern Cross paying its dividends earlier in the March 2009 quarter.

SECTION IV : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Bharti	Telkomsel	Globe	AIS	PBTL	Warid
SingTel's investment:						
Year of initial investment	**2000**	**2001**	**1993**	**1999**	**2005**	**2007**
Effective shareholding (%)	30.44%	35.0%	47.34%	21.34%	45.0%	30.0%
Investment to date	S$1.55 bil	S$1.93 bil	S$1.02 bil	S$870 mil	S$238 mil	S$1.28 bil
Closing market share price (1)	INR 802.2	NA	PHP 950.0	THB 90.5 (6) THB 89.0 (7)	NA	NA
Market capitalisation						
- Total	S$45.86 bil	NA	S$3.78 bil	S$11.30 bil	NA	NA
- SingTel holding	S$13.96 bil	NA	S$1.79 bil	S$2.40 bil	NA	NA
Operational Performance :						
Mobile penetration rate (2)	37%	63%	80%	100%	29%	58%
Market share, 30 Jun 2009 (2)	24.0%	51.1%	33.9%	44.3%	4.2%	19.0%
Market share, 31 Mar 2009 (3)	24.0%	49.5%	35.7%	43.9%	4.1%	19.0%
Market position (2) (4)	#1	#1	#2	#1	#5	#4
Mobile subs ('000)						
- Aggregate	102,368	76,013	25,024	27,902	1,965	17,887
- Proportionate	30,443	26,605	11,846	5,954	884	5,366
Growth in mobile subs (%) (5)	48%	45%	10%	7.5%	15%	15%
Credit ratings						
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Ba3/BB-	B1/BB-	Baa1/BBB+	NA	B3/CCC+
- Company (Moody's/ S&P's)	NA/BBB-	NA/BB+	NA/BB+	NA/A-	NA	NA

Notes:

(1) Based on closing market price on 30 June 2009, in local currency.
(2) Based on actual or estimated data available as at 30 June 2009.
(3) Based on actual data a quarter ago.
(4) Based on number of mobile subscribers.
(5) Compared against 30 June 2008 and based on aggregate mobile subscribers.
(6) Based on local market price quoted on the Stock Exchange of Thailand.
(7) Based on foreign market price quoted on the Stock Exchange of Thailand.

Please refer to **Appendix 3** for the currency rate movements of the major associates.

SECTION V : GLOSSARY

“ACCC”	Australian Competition And Consumer Commission.
“ARPU”	Average revenue per user.
“Associate”	An associated or a joint venture company under Singapore Financial Reporting Standard.
“DEL”	Direct exchange lines, which are telephone lines connected directly to a telephone switch.
“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.
“EPS”	Earnings per share.
“FRS”	Financial Reporting Standard.
“Free Cash Flow”	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
“GDP”	Gross Domestic Product.
“HFC”	Hybrid fibre coaxial cable, a system that has the potential to deliver voice, video and data via fibre optic cable for long haul transmission and via coaxial cable for short haul transmission.
“ICT”	Infocomm Technology.
“IP”	Internet protocol.
“IP VPN”	Internet Protocol Virtual Private Network.
“MMS”	Multimedia messaging service.
“MOU”	Minutes of use per subscriber.
“NA”	Not applicable.
“ND”	Not disclosed.
“NCS”	NCS Pte Ltd, SingTel’s wholly-owned subsidiary, and its subsidiaries.
“NM”	Not meaningful.
“OpenNet”	OpenNet Pte Ltd, the Netco for Singapore’s Next Generation National Broadband Network, which SingTel has a 30% equity interest.
“Optus”	SingTel Optus Pty Limited, SingTel’s wholly-owned subsidiary, and its subsidiaries.
“Operational EBITDA”	EBITDA (see above) before the share of pre-tax results of the associates.
“Operational EBITDA margin”	Ratio of operational EBITDA over operating revenue.
“SAI”	SingTel Australia Investment Ltd, SingTel’s wholly-owned subsidiary, which has 100% equity interest in Singapore Telecom Australia Investments Pty Limited (“**STAI**”).
“SCS”	SCS Computer Systems Pte. Ltd. (formerly known as Singapore Computer Systems Limited), a wholly-owned subsidiary of NCS, and its subsidiaries.
“STAI”	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
“SMB”	Small and medium sized business.
“SMS”	Short message service.
“Singapore”	Unless expressly stated, the term refers to SingTel Group excluding Optus and the associates.
“Singapore Business”	Comprised both the Singapore Telco and IT businesses.
“SME”	Refers to small-medium businesses.
“ULL”	Unbundled Local Loop.
“Underlying net profit”	Defined as net profit before exceptional items and exchange differences on capital reductions of certain overseas subsidiaries, net of hedging, as well as significant exceptional items of associates.

GROUP SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2009

	Quarter 30 Jun 2009			2009		2009	2008	
	Singapore S$ m	SingTel Asso/JV S$ m	Corp S$ m	SingTel S$ m	Optus S$ m	Group S$ m	Group S$ m	YOY Chge %
Operating revenue	**1,383**	**-**	**-**	**1,383**	**2,465**	**3,848**	**3,777**	**1.9**
Operating expenses	(818)	-	(16)	(834)	(1,911)	(2,745)	(2,659)	3.2
	565	-	(16)	549	554	1,103	1,118	-1.3
Other income	13	-	-	13	12	25	28	-8.6
Operational EBITDA	**578**	**-**	**(16)**	**562**	**566**	**1,128**	**1,146**	**-1.5**
- EBITDA margin	***41.8%***	**-**	***nm***	***40.7%***	***23.0%***	***29.3%***	***30.3%***	
Grp & Int'l business net corp costs	(16)	-	16	-	-	-	-	-
Share of results of associates								
Regional mobile associates	-	*624*	-	*624*	-	*624*	*557*	*12.0*
Other associates	-	*23*	-	*23*	*	*23*	*14*	*69.6*
- ordinary operations	-	647	-	647	*	647	570	13.4
- exceptional items	-	-	-	-	-	-	4	nm
	-	**647**	**-**	**647**	*****	**647**	**574**	**12.6**
EBITDA	**562**	**647**	**-**	**1,209**	**566**	**1,775**	**1,720**	**3.2**
Depreciation & amortisation	(127)	-	-	(127)	(315)	(442)	(482)	-8.2
EBIT	**435**	**647**	**-**	**1,082**	**251**	**1,333**	**1,238**	**7.6**
Net finance expense								
- net interest expense	(51)	-	-	(51)	(22)	(73)	(88)	-17.5
- other finance (expense)/income	(6)	-	-	(6)	(5)	(11)	11	nm
	(57)	-	-	(57)	(27)	(84)	(78)	7.7
Profit before EI	**379**	**647**	**-**	**1,025**	**225**	**1,250**	**1,161**	**7.6**
Exceptional items ("EI")	-	-	*	*	-	*	21	nm
Profit before tax	**379**	**647**	*****	**1,025**	**225**	**1,250**	**1,182**	**5.8**
Taxation								
- current and deferred taxes	(40)	-	-	(40)	(68)	(108)	(102)	6.0
- share of taxes of associates	-	(150)	-	(150)	*	(149)	(147)	1.8
- withholding taxes (1)	-	-	(47)	(47)	-	(47)	(55)	-15.0
	(40)	(150)	(47)	(236)	(68)	(304)	(304)	0.2
Profit after tax	**339**	**497**	**(46)**	**789**	**157**	**946**	**878**	**7.7**
Minority interests	*	-	-	*	-	*	*	nm
Net profit	**338**	**497**	**(46)**	**789**	**157**	**945**	**878**	**7.7**
Net profit	**338**	**497**	**(46)**	**789**	**157**	**945**	**878**	**7.7**
Exclude :								
Exceptional items	-	-	*	*	-	*	(21)	nm
Underlying net profit	**338**	**497**	**(47)**	**788**	**157**	**945**	**857**	**10.3**

Note:

(1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding 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 Group. The cash inflows upon the receipt of dividend are shown in **Section IV**.

	Quarter 30 Jun 2009 S$ m	YOY Change %	YOY Change in constant currency [1] %
Operating revenue	**3,848**	**1.9**	**11.7**
Operating expenses	(2,745)	3.2	14.0
	1,103	-1.3	6.1
Other income	25	-8.6	1.8
Operational EBITDA	**1,128**	**-1.5**	**6.0**
-EBITDA margin	***29.3%***		
Share of results of associates			
- Bharti	*272*	*15.8*	*25.8*
- Telkomsel	*245*	*19.0*	*25.8*
- Globe	*68*	*9.0*	*12.5*
- AIS	*58*	*-29.7*	*-29.8*
- PBTL	*(4)*	*-41.9*	*-45.8*
- Warid	*(15)*	*-30.0*	*-21.0*
Regional mobile associates	624	12.0	18.8
Other associates	23	33.1	33.1
	647	*12.6*	19.2
EBITDA	**1,775**	**3.2**	**10.4**
Depreciation & amortisation	(442)	-8.2	1.7
EBIT	**1,333**	**7.6**	**13.8**
Net finance expense	(84)	7.7	14.2
Profit before exceptional items	**1,250**	**7.6**	**13.7**
Exceptional items	*	nm	nm
Profit before tax	**1,250**	**5.8**	**11.8**
Taxation	(304)	0.2	6.1
Profit after tax	**946**	**7.7**	**13.7**
Minority interests	*	nm	nm
Net profit	**945**	**7.7**	**13.7**
Net profit	**945**	**7.7**	**13.7**
Exclude:			
Exceptional items	*	nm	nm
Underlying net profit	**945**	**10.3**	**16.4**

Note:

(1) Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Bangladesh Taka, Indian Rupee, Indonesian Rupiah, Pakistani Rupee, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2008.

GROUP STATEMENT OF FINANCIAL POSITION

	As at		
	30 Jun 2009 (Unaudited) S$ million	31 Mar 2009 (Audited) S$ million	30 Jun 2008 (Unaudited) S$ million
Current assets			
Cash and cash equivalents	1,086	1,076	1,091
Trade and other receivables	3,101	2,532	3,098
Financial assets at fair value through profit or loss	11	11	11
Derivative financial instruments	2	2	4
Inventories	400	173	206
	4,600	**3,794**	**4,409**
Non-current assets			
Property, plant and equipment	9,676	9,123	10,363
Intangible assets	10,076	10,027	10,066
Associated companies	602	669	966
Joint venture companies	8,111	7,990	7,108
Available-for-sale investments	255	236	321
Derivative financial instruments	315	461	242
Deferred tax assets	870	806	1,092
Other non-current receivables	149	148	146
	30,054	**29,461**	**30,304**
Total assets	**34,654**	**33,255**	**34,713**
Current liabilities			
Trade and other payables	3,314	3,268	3,370
Provision	16	17	13
Current tax liabilities	376	340	392
Borrowings (unsecured)	1,265	1,427	1,716
Borrowings (secured)	9	6	*
Derivative financial instruments	231	44	388
	5,210	**5,103**	**5,880**
Non-current liabilities			
Borrowings (unsecured)	5,567	6,048	4,945
Borrowings (secured)	15	14	-
Advance billings	534	533	396
Deferred income	41	34	39
Derivative financial instruments	691	563	1,222
Deferred tax liabilities	316	308	341
Other non-current liabilities	170	153	198
	7,333	**7,652**	**7,142**
Total liabilities	**12,543**	**12,754**	**13,022**
Net assets	**22,111**	**20,500**	**21,691**
Share capital and reserves			
Share capital	2,607	2,606	2,595
Reserves	19,479	17,871	19,093
Equity attributable to shareholders of the Company	22,086	20,476	21,688
Minority interests	25	24	3
Total equity	**22,111**	**20,500**	**21,691**

CURRENCY RISK MANAGEMENT & OTHER MATTERS

The Group maintains a policy of hedging 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 specifically approved by the Board.

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.

To minimise the adverse impact of foreign exchange movements on the Group's financial position, the Group determines the appropriate debt currency mix by matching it to the currency mix of the Group's underlying cash flows.

	As at		
	30 Jun	31 Mar	30 Jun
Debt Currency Mix	**2009**	**2009**	**2008**
SGD	64%	66%	58%
AUD	36%	34%	42%
Total	**100%**	**100%**	**100%**

The debt currency mix is constantly being reviewed and aligned with the Group's cash flows.

CREDIT RATINGS

As at 30 Jun 2009	SingTel	Optus
Standard & Poor's	A+ (stable)	A+ (stable)
Moody's Investors Service	Aa2 (stable)	Aa3 (stable)

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							
SGD							
FY09/10	1.1213						
FY08/09	1.2895	1.2394	0.9980	1.0045	1.2638	1.0012	1.1281
Change (last corresponding period)	***-13.0%***						
Underlying net profit							
SGD							
FY09/10	1.1298						
FY08/09	1.2911	1.2096	0.9951	1.0047	1.2499	1.0006	1.1065
Change (last corresponding period)	***-12.5%***						

Note:
(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.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Rupiah							
FY09/10	7,143						
FY08/09	6,757	6,579	7,266	7,692	6,678	7,488	7,052
Change (last corresponding period)	***5.7%***						
Baht							
FY09/10	23.6						
FY08/09	23.6	24.2	23.4	23.4	23.9	23.4	23.7
Change (last corresponding period)	-						
Peso							
FY09/10	32.5						
FY08/09	31.4	32.6	32.6	31.6	32.0	32.0	32.0
Change (last corresponding period)	***3.5%***						
Indian Rupee							
FY09/10	33.1						
FY08/09	30.5	31.3	32.8	33.0	30.9	32.9	31.9
Change (last corresponding period)	***8.5%***						
Taka							
FY09/10	46.9						
FY08/09	50.3	49.0	46.3	45.5	49.5	46.0	48.1
Change (last corresponding period)	***-6.8%***						
Pakistani Rupee							
FY09/10	54.9						
FY08/09	48.5	53.2	53.8	52.6	51.7	53.2	52.3
Change (last corresponding period)	***13.2%***						

OPTUS FINANCIALS IN SINGAPORE DOLLARS

Optus' contribution to the Group summary income statements (in Singapore Dollars) –

	Quarter 30 June		YOY Chge
	2009 S$ m	2008 S$ m	%
Operating revenue	**2,465**	**2,523**	**-2.3**
Operating expenses	(1,911)	(1,901)	0.5
Other income	12	16	-23.0
Operational EBITDA	**566**	**638**	**-11.2**
- EBITDA margin	***23.0%***	***25.3%***	
Share of results of joint ventures	*	*	nm
EBITDA	**566**	**638**	**-11.2**
Depreciation & amortisation	(315)	(371)	-15.1
EBIT	**251**	**267**	**-5.8**
Net finance expense	(27)	(40)	-32.7
Profit before tax	**225**	**227**	**-1.1**
Taxation	(68)	(69)	-2.0
Net profit	**157**	**158**	**-0.8**

Note:
The monthly income statement of Optus was translated from the Australian Dollar to Singapore Dollar based on the average exchange rate for the month. The derived weighted average exchange rates on translation of Optus income statement is shown in **Appendix 3**.

OPTUS FINANCIALS IN SINGAPORE DOLLARS

Optus' contribution to the Group operating revenue in Singapore Dollars –

	Quarter 30 Jun 2009 S$ m	Quarter 30 Jun 2008 S$ m	YOY Chge %
Mobile communications	1,187	1,202	-1.2
Data and Internet	394	443	-11.2
National telephone	346	414	-16.4
Sale of equipment	276	200	38.1
IT and engineering	159	145	9.8
International telephone	39	47	-15.5
Others	64	72	-12.2
Total	**2,465**	**2,523**	**-2.3**

Optus' contribution to certain Group items in the statements of financial position were –

	As at 30 Jun 2009 S$ m	As at 31 Mar 2009 S$ m	As at 30 Jun 2008 S$ m
Property, plant and equipment (net)	**6,981**	**6,306**	**7,798**
Gross debt			
Current debt	615	542	1,239
Non-current debt	865	1,044	602
Gross debt as reported in statements of financial position	1,480	1,587	1,841
Related net hedging liability	180	80	471
	1,660	1,667	2,311
Less: Cash and bank balances	(306)	(351)	(154)
Net debt	**1,354**	**1,316**	**2,157**
	A$ m	**A$ m**	**A$ m**
Property, plant and equipment (net)	**5,935**	**6,014**	**5,943**
Gross debt			
Current debt	523	517	944
Non-current debt	736	996	459
Gross debt as reported in statements of financial position	1,258	1,513	1,403
Related net hedging liability	153	77	359
	1,411	1,590	1,762
Less: Cash and bank balances	(260)	(335)	(117)
Net debt	**1,151**	**1,255**	**1,644**

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2010

Singapore

- **Operating revenue to grow at single-digit level.**
- **EBITDA to be stable.**
- **EBITDA margin to decline to around 36-38%.**
- **Capital expenditure to be below S$800 million.**
- **Free cash flow (excluding dividends from associates) to decline slightly.**

Australia

- **Operating revenue and EBITDA to grow at low single-digit levels.**
- **Capital expenditure to be approximately A$1.1 billion.**
- **Free cash flow to be stable.**

Associates/ Joint Ventures

- **Bharti and Telkomsel earnings to grow in local currency terms.**
- **Ordinary dividends from regional mobile associates to be lower.**

Group

- **Consolidated operating revenue and operational EBITDA of the Group will be impacted by exchange rate movements of the Australian Dollar.**
- **Earnings contributions from the regional mobile associates will be impacted by the exchange rate movements of the regional currencies when translated to Singapore Dollar.**