

Group Five-year Financial Summary

	Financial Year ended 31 March					
	2019 ⁽¹⁾	2018 ⁽¹⁾	2018	2017	2016	2015
Income Statement (\$S million)						
Group operating revenue	17,372	17,268	17,532	16,711	16,961	17,223
Singtel	8,365	8,235	8,396	7,928	7,663	7,348
Optus	9,006	9,033	9,136	8,784	9,298	9,875
Optus (A\$ million)	9,099	8,612	8,710	8,425	9,115	8,790
Group EBITDA	4,692	5,051	5,089	4,998	5,013	5,091
Singtel	2,022	2,194	2,181	2,213	2,187	2,146
Optus	2,670	2,856	2,909	2,784	2,825	2,945
Optus (A\$ million)	2,699	2,724	2,774	2,669	2,771	2,624
Share of associates' pre-tax profits	1,536	2,461	2,461	2,886	2,791	2,579
Group EBITDA and share of associates' pre-tax profits	6,228	7,511	7,550	7,884	7,804	7,670
Group EBIT	4,006	5,261	5,210	5,645	5,655	5,508
Net profit ⁽²⁾	3,095	5,473	5,451	3,853	3,871	3,782
Underlying net profit ⁽³⁾	2,825	3,593	3,544	3,871	3,805	3,779
Exchange rate (A\$ against S\$) ⁽⁴⁾	0.990	1.049	1.049	1.043	1.020	1.123
Cash Flow (\$S million)						
Group free cash flow ⁽⁵⁾	3,650	3,606	3,606	3,054	2,718	3,549
Singtel	1,242	1,126	1,126	1,040	869	1,379
Optus	1,006	989	989	514	631	1,070
Optus (A\$ million)	1,028	947	947	500	617	976
Associates' dividends (net of withholding tax)	1,402	1,492	1,492	1,500	1,218	1,100
Cash capital expenditure	1,718	2,349	2,349	2,261	1,930	2,238
Balance Sheet (\$S million)						
Total assets	48,915	48,496	48,254	48,294	43,566	42,067
Shareholders' funds	29,838	29,737	29,679	28,214	24,989	24,733
Net debt	9,883	9,877	9,820	10,384	9,142	7,963
Key Ratios						
Proportionate EBITDA from outside Singapore (%)	76	76	77	75	74	74
Return on invested capital ⁽⁶⁾ (%)	7.7	9.6	9.5	10.9	11.7	12.1
Return on equity ⁽²⁾ (%)	10.4	18.9	18.8	14.5	15.6	15.6
Return on total assets ⁽²⁾ (%)	6.3	11.2	11.2	8.3	9.0	9.3
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	1.6	1.3	1.3	1.3	1.2	1.0
EBITDA and share of associates' pre-tax profits to net interest expense (number of times)	16.2	20.1	20.2	23.4	25.3	29.2
Per Share Information (\$ cents)						
Earnings per share - basic ⁽²⁾	18.96	33.53	33.40	23.96	24.29	23.73
Earnings per share - underlying net profit ⁽³⁾	17.31	22.01	21.71	24.07	23.88	23.71
Net assets per share	183	182	182	173	157	155
Dividend per share - ordinary	17.5	17.5	17.5	17.5	17.5	17.5
Dividend per share - special	-	3.0	3.0	-	-	-

"Singtel" refers to Singtel Group excluding Optus.

Notes:

⁽¹⁾ Based on Singapore Financial Reporting Standards (International).

⁽²⁾ FY 2018 included the gain on disposal of economic interest in NetLink Trust of S\$2.03 billion.

⁽³⁾ Underlying net profit is defined as net profit before exceptional items.

⁽⁴⁾ Average A\$ rate for translation of Optus' operating revenue.

⁽⁵⁾ Free cash flow refers to cash flow from operating activities, including dividends from associates, less cash capital expenditure.

⁽⁶⁾ Return on invested capital is defined as EBIT (post-tax) divided by average capital.

Group Five-year Financial Summary

FIVE-YEAR FINANCIAL REVIEW

FY 2019

The Group has executed well on its strategy amid challenging conditions and gained market share in mobile across both Singapore and Australia. Operating revenue was stable at S\$17.37 billion while EBITDA declined 7.1% to S\$4.69 billion due partly to a 6% depreciation in the Australian Dollar. In constant currency terms, operating revenue grew 3.7% driven mainly by increases in ICT, digital services and equipment sales. However, EBITDA was down 3.9% mainly due to lower legacy carriage services especially voice, and price erosion.

The associates' pre-tax contributions declined a steep 38% to S\$1.54 billion mainly driven by operating losses at Airtel and lower contribution from Telkomsel amid aggressive price competition in India and Indonesia. The decline was partly mitigated by double-digit profit growth at Globe with robust revenue growth in mobile and broadband.

With lower contributions from the associates, underlying net profit declined by 21%. Net profit was S\$3.10 billion, down 44% from FY 2018 which included an exceptional gain from the divestment of units in NetLink Trust.

FY 2018

The Group delivered record earnings for FY 2018 with net profit of S\$5.45 billion bolstered by exceptional gain of S\$2.03 billion from the divestment of units in NetLink Trust and a strong core performance. Operating revenue was S\$17.53 billion, 4.9% higher than FY 2017, while EBITDA rose 1.8% to S\$5.09 billion reflecting strong customer gains in Australia and first time contribution from Turn (acquired by Amobee in April 2017). In constant currency terms, operating revenue and EBITDA increased by 4.7% and 1.5% respectively.

The associates' pre-tax contributions declined 15% to S\$2.46 billion on weaker earnings from Airtel India and Telkomsel impacted by intense competition and mandated reduction in mobile termination charges in India, as well as lower contribution from NetLink NBN Trust following the reduction in economic interest of 75.2% in July 2017. The decline was partly mitigated by higher contribution from Intouch (acquired in November 2016).

With lower associates' contributions, higher depreciation and amortisation charges on network investments and spectrum, as well as increased net finance expense, underlying net profit declined by 8.4%.

FY 2017

The Group delivered resilient earnings amid heightened competition across all the markets the Group operated in. Operating revenue was S\$16.71 billion, 1.5% lower than FY 2016 but would have increased 2.0% excluding the impact of regulatory mobile termination rates change in Australia from 1 January 2016. EBITDA remained stable at S\$5.0 billion. The Australian Dollar appreciated 2% against the Singapore Dollar. In constant currency terms, operating revenue and EBITDA decreased by 2.6% and 1.5% respectively.

The associates' pre-tax contributions rose 5.4% to S\$2.94 billion despite weakness in Airtel which faced intense price competition in India. Strong growth at Telkomsel and NetLink Trust, as well as first time contribution from Intouch (acquired in November 2016) was partly offset by lower profits at Airtel, AIS and Globe.

Underlying net profit grew 2.9% and net profit was stable at S\$3.85 billion with an exceptional loss compared to an exceptional gain in FY 2016.

Group Five-year Financial Summary

FY 2016

The Group delivered a strong performance with resilient core business and robust contributions from associates. Operating revenue was S\$16.96 billion, 1.5% lower than FY 2015 with the Australian Dollar declining a steep 9% against the Singapore Dollar and the impact of lower mobile termination rates in Australia from 1 January 2016. In constant currency terms, operating revenue would have grown 4.1% across all business units with first time contribution from Trustwave, Inc. (a newly acquired cyber security business). EBITDA was S\$5.01 billion, 1.5% lower than FY 2015 and in constant currency terms, would have increased 4.1% with strong cost management.

The associates' pre-tax contributions rose 8.2% to S\$2.79 billion and would have increased 9.7% excluding the currency translation impact. The regional associates recorded strong customer growth and robust mobile data growth, with higher earnings from Telkomsel and Globe offsetting the decline in Airtel.

Underlying net profit was stable and net profit including exceptional items increased 2.4% to S\$3.87 billion. In constant currency terms, underlying net profit and net profit would have increased 4.0% and 5.5% respectively from FY 2015.

FY 2015

The Group delivered a strong set of results. Operating revenue was S\$17.22 billion, 2.2% higher than FY 2014 with growth across all the business units. EBITDA was S\$5.09 billion, 1.3% lower than FY 2014 with the Australian Dollar weakening 4% against the Singapore Dollar. In constant currency terms, revenue grew 4.8% and EBITDA rose 1.3% despite operating losses from the digital businesses.

The associates' pre-tax contributions rose strongly by 17% to S\$2.58 billion and would have increased 21% excluding the currency translation impact. The regional associates registered strong customer growth and increased demand for mobile data services, with earnings growth led by Airtel India, Telkomsel and Globe.

Underlying net profit grew 4.7% and net profit including exceptional items increased 3.5% to S\$3.78 billion. In constant currency terms, underlying net profit and net profit would have increased 7.5% and 6.2% respectively from FY 2014.

Group Value Added Statements

GROUP VALUE ADDED STATEMENTS

	FY 2019 S\$ million	FY 2018 S\$ million
Value added from:		
Operating revenue	17,372	17,268
Less: Purchases of goods and services	(10,307)	(9,716)
	7,065	7,552
Other income	225	259
Interest and investment income (net)	38	45
Share of results of associates (post-tax)	1,563	1,804
Exceptional items ⁽¹⁾	68	1,895
	1,894	4,003
Total value added	8,959	11,555
Distribution of total value added		
To employees in wages, salaries and benefits	2,597	2,760
To government in income and other taxes	675	703
To providers of capital on:		
- Interest on borrowings	393	390
- Dividends to shareholders	2,857	3,346
Total distribution	6,522	7,199
Retained in business		
Depreciation and amortisation	2,222	2,250
Retained profits	238	2,127
Non-controlling interests	(23)	(21)
	2,437	4,356
Total value added	8,959	11,555
Average number of employees	24,071	25,614

Note:

⁽¹⁾ FY 2018 included the gain on disposal of economic interest in NetLink Trust of S\$2.03 billion.

PRODUCTIVITY DATA

Value Added (S\$ million)

2019	8,959	-2,596
2018 ⁽¹⁾	11,555	

Value Added Per Employee (S\$'000)

2019	372	-79
2018 ⁽¹⁾	451	

Value Added Per Dollar of Employee Costs (S\$)

2019	3.45	-0.74
2018 ⁽¹⁾	4.19	

Value Added Per Dollar of Turnover (S\$)

2019	0.52	-0.15
2018 ⁽¹⁾	0.67	

Management Discussion and Analysis

GROUP

	Financial Year ended 31 March			Change in constant currency ⁽¹⁾ (%)
	2019 (S\$ million)	2018 (S\$ million)	Change (%)	
Operating revenue	17,372	17,268	0.6	3.7
EBITDA	4,692	5,051	-7.1	-3.9
EBITDA margin	27.0%	29.2%		
Share of associates' pre-tax profits	1,536	2,461	-37.6	-36.2
EBIT	4,006	5,261	-23.9	-21.8
<i>(exclude share of associates' pre-tax profits)</i>	2,470	2,801	-11.8	-9.2
Net finance expense	(355)	(345)	2.9	6.2
Taxation	(850)	(1,344)	-36.8	-35.8
Underlying net profit⁽²⁾	2,825	3,593	-21.4	-19.1
<i>Underlying earnings per share (S cents)⁽²⁾</i>	17.3	22.0	-21.4	-19.1
Exceptional items (post-tax)	270	1,880	-85.7	-85.2
Net profit	3,095	5,473	-43.5	-41.8
<i>Basic earnings per share (S cents)</i>	19.0	33.5	-43.5	-41.8
Share of associates' post-tax profits	1,383	1,823	-24.1	-21.8

Notes:

⁽¹⁾ Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the previous year ended 31 March 2018 (FY 2018).

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

The Group has executed well on its strategy amid challenging industry, business and economic conditions. The fundamentals of the core businesses remained strong and the Group gained market share in mobile across both Singapore and Australia led by product innovations, content and services. Amobee and Trustwave continued to scale and deepen their capabilities, while the regional associates further monetised the growth in data as smartphone adoption increased. Leveraging on the Group's strengths and customer base, Singtel continued to build digital ecosystems in payments, gaming and esports.

In constant currency terms, operating revenue grew 3.7% driven by increases in ICT, digital services and equipment sales. However, EBITDA was down 3.9% mainly due to lower legacy carriage services especially voice, and price erosion. With 6% depreciation in the Australian Dollar, operating revenue was stable while EBITDA declined 7.1%.

Depreciation and amortisation charges fell 1.2% but rose 2.7% in constant currency terms, on increased investments in mobile infrastructure network, spectrum and project related capital spending.

Consequently, the Group's EBIT (before the associates' contributions) declined 12% and would have been down 9.2% in constant currency terms.

In the emerging markets, the regional associates continued to invest in network, spectrum and content to drive data usage. Pre-tax contributions from the associates declined a steep 38% mainly due to Airtel and Telkomsel, the Group's two largest regional associates. Airtel recorded operating losses on sustained pricing pressures in the Indian mobile market. Telkomsel's earnings fell on lower revenue due to fierce competition in Indonesia in the earlier part of the financial year when the mandatory SIM card registration exercise took effect. Including associates' contributions, the Group's EBIT was S\$4.01 billion, down 24% from last year.

Net finance expense was up 2.9% on lower dividend income from the Southern Cross consortium and higher interest expense from increased borrowings.

With lower contributions from the associates, underlying net profit declined by 21%. Exceptional gain was lower as FY 2018 was boosted by a S\$2.03 billion of gain on the

divestment of units in NetLink Trust. Consequently, the Group recorded a net profit of S\$3.10 billion, down 44% from last year.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for three-quarters of both the Group's proportionate revenue and EBITDA.

The Group's financial position and cash flow generation remained strong as at 31 March 2019. Free cash flow for the year was up 1.2% to S\$3.65 billion.

Management Discussion and Analysis

BUSINESS SEGMENT

	Financial Year ended 31 March			Change in constant currency ⁽¹⁾ (%)
	2019 (\$ million)	2018 (\$ million)	Change (%)	
Operating revenue				
Australia Consumer	7,579	7,475	1.4	7.4
Singapore Consumer	2,240	2,236	0.2	0.2
Group Enterprise	6,329	6,477	-2.3	-1.0
Core Business	16,148	16,188	-0.2	3.1
Group Digital Life	1,224	1,080	13.3	13.2
Group	17,372	17,268	0.6	3.7
EBITDA				
Australia Consumer	2,456	2,591	-5.2	0.5
Singapore Consumer	736	753	-2.3	-2.3
Group Enterprise	1,695	1,863	-9.0	-8.3
International Group	(25)	(22)	16.2	16.2
Core Business	4,862	5,186	-6.3	-3.2
Group Digital Life	(92)	(51)	78.8	79.1
Corporate	(78)	(84)	-7.3	-7.3
Group	4,692	5,051	-7.1	-3.9
EBIT (before share of associates' pre-tax profits)				
Australia Consumer	1,164	1,261	-7.7	-2.1
Singapore Consumer	485	513	-5.5	-5.5
Group Enterprise	1,080	1,256	-14.0	-13.7
International Group	(27)	(23)	13.7	13.7
Core Business	2,702	3,006	-10.1	-7.7
Group Digital Life	(152)	(120)	26.2	26.2
Corporate	(81)	(85)	-5.5	-5.5
Group	2,470	2,801	-11.8	-9.2

Note:

⁽¹⁾ Assuming constant exchange rates for the Australian Dollar and United States Dollar from FY 2018.

GROUP CONSUMER

In Australia, operating revenue grew 7.4% despite heightened competition. The increase was driven mainly by higher equipment sales and handset leasing, and customer growth with record net additions of 454,000 branded postpaid handset customers for the year. Mobile service revenue was stable as postpaid customer gains was negated by ARPU decline amid intense data price competition. Mass Market Fixed revenue remained stable with higher off-net revenue, driven by NBN customer growth of 137,000 from a year ago, offset by lower on-net revenue. NBN migration revenues fell 3.6%, hit by the temporary suspension in the rollout of HFC services over the NBN during the financial year. EBITDA was stable but would have grown 2.6% excluding NBN migration revenues and dispute settlement recorded in FY 2018.

In Singapore, operating revenue was stable in a highly competitive market. Including equipment sales, total Mobile revenue was flat. Mobile service revenue fell 3.8% from lower voice and ARPU dilution partially offset by growth in data. Postpaid continued its strong momentum with net additions of

125,000 customers for the year. Fixed broadband revenue rose 1.7% on increased take-up of higher speed fibre plans. TV revenue, boosted by the 2018 World Cup revenue, grew 4.9%. However, with the steep decline in voice revenues, EBITDA dipped 2.3%.

GROUP ENTERPRISE

Operating revenue slid 2.3% impacted by price competition and longer sales cycle in a cautious trading environment, particularly in Australia. Revenue would have been stable in constant currency terms with growth in ICT offset by decline in legacy carriage services especially voice. ICT revenue, which constituted 48% (FY 2018: 46%) of Group Enterprise's revenue, grew 2.1% in constant currency terms. The growth was driven by cyber security, cloud and digital services, which in total contributed approximately S\$1.3 billion in revenue, up 15% from last year. EBITDA however declined 9.0% mainly from price erosions on renewals of major public sector ICT contracts, lower voice revenues and investments in digitalisation initiatives. Including higher depreciation charges from investments in network, data centres and project related capital spending, EBIT fell 14%.

GROUP DIGITAL LIFE

Group Digital Life posted robust revenue growth of 13% to S\$1.22 billion from digital marketing arm Amobee and video-on-demand streaming service HOOQ. Amobee's revenue rose 12% fuelled by growth in its programmatic advertising business, and contributions from Videology assets (platform for advanced TV and video advertising acquired in August 2018) and first time recognition of technology licence fees from ITV plc, which mitigated the decline in its managed media business. HOOQ's revenue more than doubled, boosted by growth in paying subscribers and increased scale. Group Digital Life's negative EBITDA increased due mainly to Amobee's lower revenue from its higher-margin media business and inclusion of Videology's losses.

Management Discussion and Analysis

ASSOCIATES⁽¹⁾

	Financial Year ended 31 March			Change in constant currency ⁽²⁾ (%)
	2019 (\$ million)	2018 (\$ million)	Change (%)	
Group share of associates' pre-tax profits⁽³⁾	1,536	2,461	-37.6	-36.2
Share of post-tax profits				
Telkomsel	843	1,031	-18.3	-12.4
AIS	286	292	-1.7	-3.9
Globe ⁽³⁾				
- ordinary results	251	180	39.3	45.3
- exceptional items	-	22	nm	nm
	251	202	23.9	29.1
Intouch ^{(3) (4)}				
- operating results	101	106	-4.4	-6.5
- amortisation of acquired intangibles	(22)	(21)	8.3	5.9
	79	86	-7.5	-9.5
Airtel ⁽³⁾	(131)	101	nm	nm
BTL ⁽⁵⁾	(40)	(18)	127.8	140.9
	(171)	83	nm	nm
Regional associates⁽³⁾	1,287	1,694	-24.0	-21.5
NetLink NBN Trust/ NetLink Trust ⁽⁶⁾	48	72	-32.9	-32.9
Other associates ^{(3) (7)}	47	57	-17.6	-17.6
Group share of associates' post-tax profits⁽³⁾	1,383	1,823	-24.1	-21.8

"nm" denotes not meaningful.

Notes:

⁽¹⁾ Based on Singapore Financial Reporting Standards (International).

⁽²⁾ Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from FY 2018.

⁽³⁾ Share of results excluded the Group's share of the associates' significant one-off items which have been classified as exceptional items of the Group.

⁽⁴⁾ Singtel holds an equity interest of 21.0% in Intouch which has an equity interest of 40.5% in AIS.

⁽⁵⁾ Bharti Telecom Limited (BTL) holds an equity interest of 50.1% in Airtel as at 31 March 2019. In BTL's standalone books, its loss comprised mainly interest charges on its borrowings.

⁽⁶⁾ Singtel ceased to own units in NetLink Trust following the sale to NetLink NBN Trust in July 2017 but continues to have an interest of 24.8% in NetLink NBN Trust, the holding company of NetLink Trust. The share of results included Singtel's amortisation of deferred gain of S\$20 million (FY 2018: S\$32 million) on assets previously transferred to NetLink Trust, but excluded the fair value adjustments recorded by NetLink NBN Trust in respect of its acquisition of units in NetLink Trust.

⁽⁷⁾ Include the share of results of Singapore Post Limited.

	Telkomsel	AIS	Airtel ⁽¹⁾	Globe
Country mobile penetration rate	123%	139%	90%	138%
Market share, 31 March 2019 ⁽²⁾	51.1%	45.2%	28.0%	56.6%
Market share, 31 March 2018 ⁽²⁾	48.5%	44.8%	25.7%	52.1%
Market position ⁽²⁾	#1	#1	#2	#1
Mobile customers ('000)				
- Aggregate	168,642	41,491	384,078	83,490
- Proportionate	59,025	9,676	144,770	39,307
Growth in mobile customers ⁽³⁾ (%)	-13%	3.6%	-2.9%	32%

Notes:

⁽¹⁾ Mobile penetration rate, market share and market position pertained to India market only.

⁽²⁾ Based on number of mobile customers.

⁽³⁾ Compared against 31 March 2018 and based on aggregate mobile customers.

The Group's combined mobile customer base reached 692 million, down 14 million from a year ago on declines in Indonesia and India.

Telkomsel's revenue fell 4% due to the steep 24% decline in traditional voice and SMS revenues on increased popularity of OTT apps and higher smartphone penetration. The decline was partly mitigated by 21% growth in data and digital services as Telkomsel's digital businesses gained traction. EBITDA fell 9% on lower revenue and higher network expenses from the accelerated deployment of its 4G network. With a weaker Indonesian Rupiah, Telkomsel's post-tax contribution declined 18%. Its mobile customer base was impacted by churn due to the SIM card registration exercise.

AIS' service revenue (excluding interconnect and equipment rental) grew 1%. The increase was driven by higher fixed broadband revenue and the consolidation of CS Loxinfo acquired in January 2018, partly offset by decline in mobile revenue due to intense price competition. EBITDA rose 3% on revenue growth and lower marketing spend. Including higher depreciation charges from

4G network investments and new spectrum amortisation, AIS' post-tax contribution dipped 1.7%.

Globe delivered a solid performance with double-digit growth in EBITDA and earnings. Service revenue grew 6% driven by robust data growth in mobile and broadband. EBITDA rose 22% on strong revenue growth and lower selling expenses. Despite higher depreciation charges and share of equity losses from its associates, Globe's post-tax ordinary contribution rose strongly by 39%. The share of Globe's one-off gain in FY 2018 arose from the increase in fair value of its retained interest in its associate. With the absence of exceptional gain this year, overall post-tax contribution grew 24%.

Intouch's⁽¹⁾ post-tax contribution decreased 4.4% on lower contribution from AIS and a one-off disposal gain on the sale of an investment last year. After including amortisation of acquired intangibles, Intouch's post-tax contribution declined by 7.5%.

The Group's share of **Airtel's** post-tax loss (excluding its net exceptional gain) was S\$131 million, compared to

the share of post-tax profit of S\$101 million in FY 2018. The losses were mainly due to a steep decline in ARPU on disruptive price competition. Airtel Africa reported strong growth in operating revenue and EBITDA. Airtel's total mobile customers declined mainly from India due to implementation of minimum recharge plans.

Including the share of Bharti Telecom Limited's (**BTL**) net loss of S\$40 million (FY 2018: S\$18 million) mainly from net finance expense, total share of post-tax losses of Airtel and BTL amounted to S\$171 million, compared to share of net profit of S\$83 million in FY 2018.

Airtel recorded some one-off items in the current year which have been classified as exceptional items of the Group. The exceptional items comprised mainly fair value gains on deconsolidation of a subsidiary and write-back of accruals on re-assessment of levies partly offset by other charges. Including the share of Airtel's net exceptional gain of S\$206 million, overall contribution from Airtel and BTL was a net profit of S\$34 million, down 53% from last year.

Note:

⁽¹⁾ Intouch is listed on the Stock Exchange of Thailand and has investments in telecommunications via its 40.5% equity interest in AIS, as well as in satellite, internet, and media and advertising businesses.

Management Discussion and Analysis

CASH FLOW

	Financial Year ended 31 March		Change (%)
	2019 (S\$ million)	2018 (S\$ million)	
Net cash inflow from operating activities	5,368	5,955	-9.9
Net cash outflow for investing activities	(2,329)	(1,951)	19.4
Net cash outflow for financing activities	(3,056)	(4,009)	-23.8
Net change in cash balance	(16)	(5)	248.9
Exchange effects on cash balance	4	(4)	nm
Cash balance at beginning of year	525	534	-1.7
Cash balance at end of year	513	525	-2.3
Singtel ⁽¹⁾	1,242	1,126	10.3
Optus	1,006	989	1.8
Associates (net dividends after withholding tax)	1,402	1,492	-6.0
Group free cash flow	3,650	3,606	1.2
<i>Optus (in A\$ million)</i>	1,028	947	8.5
<i>Cash capital expenditure as a percentage of operating revenue</i>	10%	14%	

"nm" denotes not meaningful.

Note:

⁽¹⁾ Refers to Singtel Group excluding Optus.

The Group's free cash flow grew 1.2% to S\$3.65 billion. The increase was driven by lower capital expenditure partly offset by lower operating cash flow, higher cash taxes and lower associates' dividends.

Net cash inflow from operating activities declined 9.9% to S\$5.37 billion. Dividends received from the associates fell 6.0% mainly from Telkomsel, the Southern Cross consortium and NetLink Trust.

The investing cash outflow was S\$2.33 billion. During the year,

Singtel received proceeds of S\$118 million from the disposal of a property in Singapore. Payments of S\$123 million were made for the acquisition of Videology assets in August 2018 and S\$344 million for the acquisition of a 5.7% equity interest in Airtel Africa in October 2018. Capital expenditure totalled S\$1.72 billion, comprising S\$587 million for Singtel and S\$1.13 billion (A\$1.14 billion) for Optus. In Singtel, major capital investments in the year included S\$215 million for fixed and data infrastructure, S\$183 million for mobile networks and S\$189 million for ICT and other investments.

In Optus, capital investments in mobile networks amounted to A\$633 million with the balance in fixed and other investments.

Net cash outflow for financing activities amounted to S\$3.06 billion. Major cash outflows included net interest payments of S\$385 million, and payments of S\$1.75 billion for final dividends in respect of FY 2018 and S\$1.11 billion for interim dividends in respect of FY 2019, partly offset by increase in net borrowings of S\$222 million.

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at 31 March	
	2019 (S\$ million)	2018 (S\$ million)
Current assets	7,078	6,759
Non-current assets	41,837	41,737
Total assets	48,915	48,496
Current liabilities	8,794	8,429
Non-current liabilities	10,311	10,355
Total liabilities	19,105	18,784
Net assets	29,810	29,712
Share capital	4,127	4,127
Retained earnings	27,513	27,269
Currency translation reserve ⁽¹⁾	(1,768)	(1,284)
Other reserves	(35)	(376)
Equity attributable to shareholders	29,838	29,737
Non-controlling interests and other reserve	(28)	(26)
Total equity	29,810	29,712

Note:

⁽¹⁾ 'Currency translation reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.

The Group's financial position remains healthy.

Total assets were stable with additions from the acquisitions of Videology assets and equity interest in Airtel Africa offset by the translation impact from a weaker Australian Dollar. Total liabilities increased on higher trade payables related to handset leasing and network investments.

Currency translation losses increased mainly due to the weaker Australian Dollar and Indian Rupee against the Singapore Dollar from a year ago when translating the Group's investments in Optus and Airtel.

Management Discussion and Analysis

CAPITAL MANAGEMENT AND DIVIDEND POLICY

Group	Financial Year ended 31 March	
	2019	2018
Gross debt (S\$ million)	10,396	10,402
Net debt ⁽¹⁾ (S\$ million)	9,883	9,877
Net debt gearing ratio ⁽²⁾ (%)	24.9	24.9
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	1.6	1.3
Interest cover ⁽³⁾ (number of times)	16.2	20.1

Notes:

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

⁽²⁾ Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and non-controlling interests.

⁽³⁾ Interest cover refers to the ratio of EBITDA and share of associates' pre-tax profits to net interest expense.

As at 31 March 2019, the Group's net debt was S\$9.9 billion, stable from a year ago.

The Group has one of the strongest credit ratings among telecommunication companies in the Asia Pacific region. Singtel is currently rated A1 by Moody's and A+ by S&P Global Ratings. The Group continues to maintain a healthy capital structure.

For the financial year ended 31 March 2019, the total ordinary dividend payout, including the

proposed final dividend, was 17.5 cents per share or 101% of the Group's underlying net profit and 88% of the Group's free cash flow (after interest and tax payments).

Singtel is committed to delivering dividends that increase over time with growth in underlying earnings, while maintaining an optimal capital structure and investment grade credit ratings. Barring unforeseen circumstances, it expects to maintain its ordinary dividends at 17.5 cents per share for the next financial year ending 31 March 2020.

OUTLOOK FOR THE NEXT FINANCIAL YEAR ENDING 31 MARCH 2020

For the Group's outlook for the next financial year ending 31 March 2020,

please refer to pages 9 to 10 of the Management Discussion and Analysis for the fourth quarter and year ended 31 March 2019 announced on 15 May 2019.