



**SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
ASX APPENDIX 4D – HALF YEAR REPORT
FOR THE SECOND QUARTER AND HALF YEAR ENDED
30 SEPTEMBER 2009**

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RESULTS FOR ANNOUNCEMENT TO THE MARKET (APPENDIX 4D)*For the half year ended 30 September 2009*

Group	Half Year 30 Sep		Percentage change
	2009 S\$ Mil	2008 S\$ Mil	
Revenue from ordinary activities	7,950.5	7,667.8	3.7%
Profit from ordinary activities after taxation attributable to shareholders	1,901.4	1,746.1	8.9%
Net profit attributable to shareholders	1,901.4	1,746.1	8.9%
Net tangible assets per ordinary share ⁽¹⁾	76.14¢	64.79¢	17.5%

Group	Amount per security (SGD cents)	Franked amount per security (SGD cents)
Dividend per share		
- final	Nil	Not applicable
- interim	6.2¢ ⁽²⁾	Nil ⁽³⁾

Record date for determining entitlements to dividends

To be announced later

Notes:

- (1) As at 30 September 2009, the number of ordinary shares was 15,922,127,337 after adjustment to exclude the number of performance shares held by the Trust.
- (2) The interim dividend of SGD 6.2 cents per security received by Singapore tax residents will be tax exempt for Singapore income tax purposes (being a one-tier exempt dividend).
- (3) For Australian resident individual shareholders, the interim dividend of SGD 6.2 cents per security will be assessable and, therefore, subject to tax in Australia. Australian resident individual shareholders cannot claim a tax rebate or credit in their Australian income tax return for corporate income tax paid in Singapore.

Important Notes:

This half year report should be read in conjunction with the audited annual report for the financial year ended 31 March 2009 and announcements to the market during the six months ended 30 September 2009.

The figures presented in this announcement have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)*For the second quarter and half year ended 30 September 2009*

		Quarter 30 Sep		Half Year 30 Sep	
	Notes	2009 S\$ Mil	2008 S\$ Mil	2009 S\$ Mil	2008 S\$ Mil
Operating revenue		4,102.8	3,890.9	7,950.5	7,667.8
Operating expenses		(2,973.8)	(2,829.4)	(5,718.5)	(5,488.3)
Other income	2	20.3	17.4	45.7	45.2
		1,149.3	1,078.9	2,277.7	2,224.7
Depreciation and amortisation	3	(463.6)	(447.1)	(905.5)	(928.6)
		685.7	631.8	1,372.2	1,296.1
Exceptional items	4	4.1	0.5	4.4	13.4
Profit on operating activities		689.8	632.3	1,376.6	1,309.5
Associated and joint venture companies					
- share of ordinary results		606.4	461.0	1,252.9	1,031.2
- share of exceptional items	5	-	-	-	11.9
- share of tax	12	(140.0)	(64.3)	(289.4)	(211.0)
		466.4	396.7	963.5	832.1
Profit before interest, investment income (net) and tax		1,156.2	1,029.0	2,340.1	2,141.6
Interest and investment income/ (expense) (net)	6	0.7	79.9	(7.4)	104.4
Finance costs	7	(69.7)	(99.7)	(145.1)	(201.7)
Profit before tax		1,087.2	1,009.2	2,187.6	2,044.3
Tax expense	8	(131.2)	(141.1)	(286.0)	(298.0)
Profit after tax		956.0	868.1	1,901.6	1,746.3
Attributable to:					
Shareholders of the Company		956.0	868.0	1,901.4	1,746.1
Minority interests		-	0.1	0.2	0.2
		956.0	868.1	1,901.6	1,746.3
Earnings per share attributable to shareholders of the Company					
- basic	10	6.00¢	5.45¢	11.95¢	10.97¢
- diluted	10	5.98¢	5.43¢	11.91¢	10.92¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)*For the second quarter and half year ended 30 September 2009*

	Quarter 30 Sep		Half Year 30 Sep	
	2009 S\$ Mil	2008 S\$ Mil	2009 S\$ Mil	2008 S\$ Mil
Profit after tax	956.0	868.1	1,901.6	1,746.3
Other comprehensive income/ (loss) (before and after tax)				
Exchange differences arising from translation of foreign operations and other currency translation differences				
- Currency translation differences during the period	267.9	(859.9)	899.8	(1,109.1)
- Currency translation differences transferred to income statement upon capital reduction of subsidiary	-	(66.5)	-	(66.5)
	267.9	(926.4)	899.8	(1,175.6)
Cash flow hedges				
- Fair value changes during the period	(78.0)	43.6	(166.6)	108.4
- Fair value changes transferred to income statement	67.6	(150.4)	205.7	(102.4)
	(10.4)	(106.8)	39.1	6.0
Fair value changes on AFS investments	(1.3)	(50.3)	17.2	(79.0)
Share of other comprehensive income of associated and joint venture companies	2.3	4.9	8.3	3.9
	258.5	(1,078.6)	964.4	(1,244.7)
Total comprehensive income/ (loss)	1,214.5	(210.5)	2,866.0	501.6
Attributable to:				
Shareholders of the Company	1,214.5	(210.8)	2,865.8	501.2
Minority interests	-	0.3	0.2	0.4
	1,214.5	(210.5)	2,866.0	501.6

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2009

	Notes	Group		Company	
		As at 30 Sep 09 S\$ Mil (Unaudited)	As at 31 Mar 09 S\$ Mil (Audited)	As at 30 Sep 09 S\$ Mil (Unaudited)	As at 31 Mar 09 S\$ Mil (Audited)
Current assets					
Cash and cash equivalents		1,208.2	1,076.0	179.2	333.1
Trade and other receivables		2,917.2	2,531.9	2,399.3	1,359.4
Financial assets at fair value through profit or loss ("FVTPL investments")		0.4	10.8	-	-
Derivative financial instruments		1.6	1.5	0.1	1.5
Inventories		388.6	173.4	167.6	35.4
		4,516.0	3,793.6	2,746.2	1,729.4
Non-current assets					
Property, plant and equipment		10,090.1	9,122.6	1,824.8	1,968.1
Intangible assets		10,090.3	10,027.4	2.5	2.7
Subsidiaries		-	-	11,834.2	11,798.7
Associated companies		551.1	669.3	24.7	24.7
Joint venture companies		8,390.4	7,989.9	29.9	29.9
Available-for-sale ("AFS") investments		253.7	236.3	30.6	24.6
Derivative financial instruments		274.2	461.3	274.2	461.3
Deferred tax assets		868.8	806.4	-	-
Other non-current receivables		146.4	147.9	97.4	104.7
		30,665.0	29,461.1	14,118.3	14,414.7
Total assets		35,181.0	33,254.7	16,864.5	16,144.1
Current liabilities					
Trade and other payables		3,470.5	3,267.5	2,200.8	1,130.7
Provision		16.5	16.8	-	-
Current tax liabilities		340.7	340.2	228.7	221.3
Borrowings (unsecured)	11	996.2	1,427.4	-	-
Borrowings (secured)	11	10.4	6.4	-	-
Derivative financial instruments		269.8	44.2	4.1	12.6
		5,104.1	5,102.5	2,433.6	1,364.6
Non-current liabilities					
Borrowings (unsecured)	11	5,950.6	6,047.5	4,021.2	4,353.2
Borrowings (secured)	11	17.2	13.7	-	-
Advance billings		560.5	532.5	156.2	157.0
Deferred income		39.3	34.2	22.6	12.8
Derivative financial instruments		760.3	563.2	756.2	504.8
Deferred tax liabilities		323.1	307.9	197.9	186.7
Other non-current liabilities		192.0	152.9	13.3	9.2
		7,843.0	7,651.9	5,167.4	5,223.7
Total liabilities		12,947.1	12,754.4	7,601.0	6,588.3
Net assets		22,233.9	20,500.3	9,263.5	9,555.8
Share capital and reserves					
Share capital	13	2,610.0	2,605.6	2,610.0	2,605.6
Reserves		19,599.0	17,870.6	6,653.5	6,950.2
Equity attributable to shareholders of the Company		22,209.0	20,476.2	9,263.5	9,555.8
Minority interests		24.9	24.1	-	-
Total equity		22,233.9	20,500.3	9,263.5	9,555.8

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the second quarter ended 30 September 2009*

Group - 2009	Attributable to shareholders of the Company										Minority Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares Held ⁽¹⁾ by Trust ⁽²⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽³⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 July 2009	2,606.8	(17.6)	(101.2)	(1,146.8)	(195.6)	(42.3)	22,204.8	(1,221.9)	22,086.2	24.9	22,111.1	
Changes in equity for the quarter												
Issue of new shares	3.2	-	-	-	-	-	-	-	3.2	-	3.2	
Performance shares purchased by Trust	-	(3.4)	-	-	-	-	-	-	(3.4)	-	(3.4)	
Equity-settled performance shares	-	-	5.8	-	-	-	-	-	5.8	-	5.8	
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	(0.3)	
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	(0.6)	0.6	-	-	-	
Final dividend paid	-	-	-	-	-	-	(1,097.0)	-	(1,097.0)	-	(1,097.0)	
	3.2	(3.4)	5.5	-	-	-	(1,097.6)	0.6	(1,091.7)	-	(1,091.7)	
Total comprehensive income/ (loss) for the quarter	-	-	-	267.9	(10.4)	(1.3)	956.0	2.3	1,214.5	-	1,214.5	
Balance as at 30 September 2009	2,610.0	(21.0)	(95.7)	(878.9)	(206.0)	(43.6)	22,063.2	(1,219.0)	22,209.0	24.9	22,233.9	

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the second quarter ended 30 September 2009*

Group - 2008	Attributable to shareholders of the Company										Minority Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares Held ⁽¹⁾ by Trust ⁽²⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽³⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 July 2008	2,595.3	(15.9)	(47.5)	(153.4)	(153.2)	25.7	20,678.8	(1,241.8)	21,688.0	2.9	21,690.9	
Changes in equity for the quarter												
Issue of new shares	8.9	-	-	-	-	-	-	-	8.9	-	8.9	
Performance shares purchased by Trust	-	(21.6)	-	-	-	-	-	-	(21.6)	-	(21.6)	
Equity-settled performance shares	-	-	6.9	-	-	-	-	-	6.9	-	6.9	
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	-	-	(0.2)	-	(0.2)	
Performance shares purchased by Optus and vested	-	-	(0.4)	-	-	-	-	-	(0.4)	-	(0.4)	
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	(0.1)	0.1	-	-	-	
Final dividend paid	-	-	-	-	-	-	(1,098.1)	-	(1,098.1)	-	(1,098.1)	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	30.9	30.9	
	8.9	(21.6)	6.3	-	-	-	(1,098.2)	0.1	(1,104.5)	30.9	(1,073.6)	
Total comprehensive income/ (loss) for the quarter	-	-	-	(926.6)	(106.8)	(50.3)	868.0	4.9	(210.8)	0.3	(210.5)	
Balance as at 30 September 2008	2,604.2	(37.5)	(41.2)	(1,080.0)	(260.0)	(24.6)	20,448.6	(1,236.8)	20,372.7	34.1	20,406.8	

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the second quarter ended 30 September 2009*

Company - 2009	Share Capital S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 July 2009	2,606.8	(58.5)	(171.9)	17.5	7,310.2	9,704.1
Changes in equity for the quarter						
Issue of new shares	3.2	-	-	-	-	3.2
Performance shares vested	-	(0.5)	-	-	-	(0.5)
Equity-settled performance shares	-	3.7	-	-	-	3.7
Cash paid to employees under performance share plans	-	(0.3)	-	-	-	(0.3)
Contribution to Trust	-	(2.2)	-	-	-	(2.2)
Final dividend paid	-	-	-	-	(1,097.4)	(1,097.4)
	3.2	0.7	-	-	(1,097.4)	(1,093.5)
Total comprehensive income/ (loss) for the quarter	-	-	(15.3)	3.5	664.7	652.9
Balance as at 30 September 2009	2,610.0	(57.8)	(187.2)	21.0	6,877.5	9,263.5

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the second quarter ended 30 September 2009*

Company - 2008	Share Capital S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 July 2008	2,595.3	(28.2)	(151.5)	22.7	7,662.7	10,101.0
Changes in equity for the quarter						
Issue of new shares	8.9	-	-	-	-	8.9
Equity-settled performance shares	-	3.5	-	-	-	3.5
Cash paid to employees under performance share plans	-	(0.2)	-	-	-	(0.2)
Contribution to Trust	-	(13.4)	-	-	-	(13.4)
Final dividend paid	-	-	-	-	(1,098.8)	(1,098.8)
	8.9	(10.1)	-	-	(1,098.8)	(1,100.0)
Total comprehensive income/ (loss) for the quarter	-	-	(116.6)	(3.7)	940.4	820.1
Balance as at 30 September 2008	2,604.2	(38.3)	(268.1)	19.0	7,504.3	9,821.1

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, **Financial Instruments: Disclosure and Presentation**.
- (2) RBC Dexia Trust Services Singapore Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.
- (3) 'Currency Translation Reserve' relate mainly to the translation of the net assets of foreign subsidiaries, associated and joint venture companies of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Pakistani Rupee, Philippine Peso, Thai Baht and United States Dollar.
- (4) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001.

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the half year ended 30 September 2009*

Group - 2009	Attributable to shareholders of the Company										Minority Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares Held ⁽¹⁾ by Trust ⁽²⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽³⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 April 2009	2,605.6	(43.7)	(32.6)	(1,778.7)	(245.1)	(60.8)	21,259.6	(1,228.1)	20,476.2	24.1	20,500.3	
Changes in equity for the period												
Issue of new shares	4.4	-	-	-	-	-	-	-	4.4	-	4.4	
Performance shares purchased by the Company	-	(10.8)	-	-	-	-	-	-	(10.8)	-	(10.8)	
Performance shares purchased by Trust	-	(31.9)	-	-	-	-	-	-	(31.9)	-	(31.9)	
Performance shares vested	-	65.4	(65.4)	-	-	-	-	-	-	-	-	
Equity-settled performance shares	-	-	11.9	-	-	-	-	-	11.9	-	11.9	
Transfer of liability to equity	-	-	2.3	-	-	-	-	-	2.3	-	2.3	
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	(0.3)	
Performance shares purchased by SingTel Optus Pty Limited ("Optus") and vested	-	-	(11.6)	-	-	-	-	-	(11.6)	-	(11.6)	
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	(0.8)	0.8	-	-	-	
Contribution to subsidiary	-	-	-	-	-	-	-	-	-	0.6	0.6	
Final dividend paid	-	-	-	-	-	-	(1,097.0)	-	(1,097.0)	-	(1,097.0)	
	4.4	22.7	(63.1)	-	-	-	(1,097.8)	0.8	(1,133.0)	0.6	(1,132.4)	
Total comprehensive income for the period	-	-	-	899.8	39.1	17.2	1,901.4	8.3	2,865.8	0.2	2,866.0	
Balance as at 30 September 2009	2,610.0	(21.0)	(95.7)	(878.9)	(206.0)	(43.6)	22,063.2	(1,219.0)	22,209.0	24.9	22,233.9	

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the half year ended 30 September 2009*

Group - 2008	Attributable to shareholders of the Company										Minority Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares Held ⁽¹⁾ by Trust ⁽²⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽³⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 April 2008	2,593.7	(50.1)	11.8	95.8	(266.0)	54.4	19,800.7	(1,240.8)	20,999.5	2.8	21,002.3	
Changes in equity for the period												
Issue of new shares	10.5	-	-	-	-	-	-	-	10.5	-	10.5	
Performance shares purchased by the Company	-	(12.1)	-	-	-	-	-	-	(12.1)	-	(12.1)	
Performance shares purchased by Trust	-	(28.2)	-	-	-	-	-	-	(28.2)	-	(28.2)	
Performance shares vested	-	52.9	(52.9)	-	-	-	-	-	-	-	-	
Equity-settled performance shares	-	-	13.1	-	-	-	-	-	13.1	-	13.1	
Transfer of liability to equity	-	-	1.1	-	-	-	-	-	1.1	-	1.1	
Cash paid to employees under performance share plans	-	-	(0.4)	-	-	-	-	-	(0.4)	-	(0.4)	
Performance shares purchased by Optus and vested	-	-	(13.9)	-	-	-	-	-	(13.9)	-	(13.9)	
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	(0.1)	0.1	-	-	-	
Final dividend paid	-	-	-	-	-	-	(1,098.1)	-	(1,098.1)	-	(1,098.1)	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	30.9	30.9	
	10.5	12.6	(53.0)	-	-	-	(1,098.2)	0.1	(1,128.0)	30.9	(1,097.1)	
Total comprehensive income/ (loss) for the period	-	-	-	(1,175.8)	6.0	(79.0)	1,746.1	3.9	501.2	0.4	501.6	
Balance as at 30 September 2008	2,604.2	(37.5)	(41.2)	(1,080.0)	(260.0)	(24.6)	20,448.6	(1,236.8)	20,372.7	34.1	20,406.8	

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the half year ended 30 September 2009*

Company - 2009	Share Capital S\$ Mil	Treasury Shares Held ⁽¹⁾ by Trust ⁽²⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2009	2,605.6	-	(38.9)	(237.9)	15.0	7,212.0	9,555.8
Changes in equity for the period							
Issue of new shares	4.4	-	-	-	-	-	4.4
Performance shares purchased by the Company	-	(10.8)	-	-	-	-	(10.8)
Performance shares vested	-	10.8	(7.0)	-	-	-	3.8
Equity-settled performance shares	-	-	6.7	-	-	-	6.7
Transfer of liability to equity	-	-	2.3	-	-	-	2.3
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	(0.3)
Contribution to Trust	-	-	(20.6)	-	-	-	(20.6)
Final dividend paid	-	-	-	-	-	(1,097.4)	(1,097.4)
	4.4	-	(18.9)	-	-	(1,097.4)	(1,111.9)
Total comprehensive income for the period	-	-	-	50.7	6.0	762.9	819.6
Balance as at 30 September 2009	2,610.0	-	(57.8)	(187.2)	21.0	6,877.5	9,263.5

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the half year ended 30 September 2009*

Company - 2008	Share Capital S\$ Mil	Treasury Shares Held ⁽¹⁾ by Trust ⁽²⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2008	2,593.7	-	(22.8)	(263.8)	24.9	7,427.9	9,759.9
Changes in equity for the period							
Issue of new shares	10.5	-	-	-	-	-	10.5
Performance shares purchased by the Company	-	(12.1)	-	-	-	-	(12.1)
Performance shares vested	-	12.1	(6.4)	-	-	-	5.7
Equity-settled performance shares	-	-	7.1	-	-	-	7.1
Transfer of liability to equity	-	-	1.1	-	-	-	1.1
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	(0.3)
Contribution to Trust	-	-	(17.0)	-	-	-	(17.0)
Final dividend paid	-	-	-	-	-	(1,098.8)	(1,098.8)
	10.5	-	(15.5)	-	-	(1,098.8)	(1,103.8)
Total comprehensive income/ (loss) for the period	-	-	-	(4.3)	(5.9)	1,175.2	1,165.0
Balance as at 30 September 2008	2,604.2	-	(38.3)	(268.1)	19.0	7,504.3	9,821.1

Notes:(1) 'Treasury Shares' are accounted for in accordance with Singapore FRS 32, **Financial Instruments: Disclosure and Presentation**.(2) RBC Dexia Trust Services Singapore Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

(3) 'Currency Translation Reserve' relate mainly to the translation of the net assets of foreign subsidiaries, associated and joint venture companies of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Pakistani Rupee, Philippine Peso, Thai Baht and United States Dollar.

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

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)*For the second quarter and half year ended 30 September 2009*

	Quarter 30 Sep		Half Year 30 Sep	
	2009 S\$ Mil	2008 S\$ Mil	2009 S\$ Mil	2008 S\$ Mil
Cash Flows from Operating Activities				
Profit before tax	1,087.2	1,009.2	2,187.6	2,044.3
Adjustments for				
Depreciation and amortisation	463.6	447.1	905.5	928.6
Exceptional items	(4.1)	(0.5)	(4.4)	(13.4)
Interest and investment income (net)	(0.7)	(79.9)	7.4	(104.4)
Finance costs	69.7	99.7	145.1	201.7
Share of results of associated and joint venture companies (post-tax)	(466.4)	(396.7)	(963.5)	(832.1)
Other non-cash items	7.4	10.4	16.7	18.3
	69.5	80.1	106.8	198.7
Operating cash flow before working capital changes	1,156.7	1,089.3	2,294.4	2,243.0
Changes in operating assets and liabilities				
Trade and other receivables	(35.0)	(1.9)	(169.1)	(126.8)
Trade and other payables	(22.2)	88.1	20.7	7.0
Inventories	18.9	(34.5)	(110.7)	(111.2)
Currency translation adjustments of subsidiary companies	2.4	(31.2)	9.4	(2.9)
Cash generated from operations	1,120.8	1,109.8	2,044.7	2,009.1
Payment to employees in cash under performance share plans	(0.8)	(0.8)	(2.2)	(2.7)
Dividends received from associated and joint venture companies	598.4	702.1	688.9	826.9
Income tax and withholding tax paid	(166.7)	(192.3)	(182.8)	(203.0)
Net cash inflow from operating activities	1,551.7	1,618.8	2,548.6	2,630.3
Cash Flows from Investing Activities				
Dividends received from other investments	14.8	17.8	15.6	18.7
Interest received	4.3	12.8	7.1	26.5
Payment for acquisition of subsidiary, net of cash acquired (see Note 1)	-	(81.1)	-	(81.1)
Long term loans repaid by joint venture companies	-	-	-	1.2
Contribution from minority shareholders	-	-	0.6	-
Investment in associated and joint venture companies	-	(140.2)	(3.7)	(155.7)
Net sale proceeds from FVTPL investments	10.0	-	10.2	-
Investment in AFS investments	-	(0.6)	(0.1)	(0.6)
Proceeds from sale of AFS investments	2.3	0.1	2.3	0.1
Balance carried forward	31.4	(191.2)	32.0	(190.9)

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)*For the second quarter and half year ended 30 September 2009*

	Quarter 30 Sep		Half Year 30 Sep	
	2009 S\$ Mil	2008 S\$ Mil	2009 S\$ Mil	2008 S\$ Mil
Cash Flows from Investing Activities (continued)				
Balance brought forward	31.4	(191.2)	32.0	(190.9)
Proceeds from capital reduction of AFS investments	-	2.3	-	2.3
Payment for purchase of property, plant and equipment	(458.0)	(478.1)	(882.8)	(936.7)
Advance payment for purchase of property, plant and equipment	(29.1)	(43.5)	(29.1)	(43.5)
Drawdown of prepaid submarine cable capacity	-	-	33.2	-
Proceeds from sale of property, plant and equipment	14.4	0.5	15.4	0.6
Purchase of intangible assets	(0.7)	(0.3)	(2.8)	(0.4)
Withholding tax paid on intra-group interest income	(0.5)	(70.4)	(1.1)	(70.7)
Net cash outflow for investing activities	(442.5)	(780.7)	(835.2)	(1,239.3)
Cash Flows from Financing Activities				
Proceeds from term loans	1,730.0	1,444.8	2,370.7	1,760.7
Repayment of term loans	(1,602.5)	(385.7)	(2,061.2)	(1,362.8)
Bonds repaid	(3.6)	(502.3)	(618.0)	(506.4)
Finance lease payments	(2.5)	-	(4.3)	-
Net proceeds from/ (Repayment of) borrowings	121.4	556.8	(312.8)	(108.5)
Settlement of swap for bonds repaid	-	(137.3)	-	(137.3)
Net interest paid on borrowings and swaps	(27.9)	(57.8)	(154.3)	(205.0)
Purchase of performance shares	(3.4)	(22.0)	(54.8)	(54.2)
Final dividends paid to shareholders of the Company	(1,097.0)	(1,098.1)	(1,097.0)	(1,098.1)
Loan proceeds from minority shareholder	5.4	-	5.4	-
Proceeds from issue of shares	3.2	8.9	4.4	10.5
Net cash outflow for financing activities	(998.3)	(749.5)	(1,609.1)	(1,592.6)
Net change in cash and cash equivalents	110.9	88.6	104.3	(201.6)
Exchange effects on cash and cash equivalents	11.3	(89.9)	27.9	(81.1)
Cash and cash equivalents at beginning of period	1,085.8	1,090.5	1,075.8	1,371.9
Cash and cash equivalents at end of period	1,208.0	1,089.2	1,208.0	1,089.2

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS*For the second quarter and half year ended 30 September 2009*

For the purposes of the consolidated cash flow statements, cash and cash equivalents comprise:

	As at 30 Sep	
	2009	2008
	S\$ Mil	S\$ Mil
Fixed deposits	684.0	701.4
Cash and bank balances	524.2	388.0
<u>Less</u> : Bank overdrafts	(0.2)	(0.2)
	<u>1,208.0</u>	<u>1,089.2</u>

Bank overdrafts are classified as part of current unsecured borrowings in the consolidated balance sheet.

Note**(1): Acquisition of subsidiary**

The Group acquired a controlling interest of approximately 60% in SCS Computer Systems Pte. Ltd. (formerly known as Singapore Computer Systems Limited) and its subsidiaries ("**SCS**") on 25 August 2008. As at 30 September 2008, the Group's interest was increased to approximately 77% including the acceptances of the mandatory general offer received as of 30 September 2008.

SCS became a wholly-owned subsidiary of the Group following the completion of the acquisition on 12 December 2008.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***1. BASIS OF PREPARATION**

The Group prepares its condensed consolidated interim financial statements in accordance with Singapore Financial Reporting Standard (“FRS”) 34, **Interim Financial Reporting**. The same accounting policies and methods of computation have been applied in the preparation of the financial statements for the current quarter as the most recent audited financial statements as at 31 March 2009, except for the adoption of certain revised FRSs and Interpretations to FRSs which became mandatory from 1 April 2009. The adoption did not result in substantial changes to the Group’s accounting policies.

FRS 1, **Presentation of Financial Statements**, requires the separate disclosure of all non-owner changes in equity in a ‘Statement of Comprehensive Income’. The ‘Statement of Changes in Equity’ includes only details of transactions with owners, with all non-owner changes in equity presented as single line items.

FRS 108, **Operating Segments**, requires the disclosure of segment information based on the information regularly reviewed by the chief operating decision maker. Refer to Note 18 for segmental information in accordance with FRS 108.

2. OTHER INCOME

Group	Quarter 30 Sep		Half year 30 Sep	
	2009	2008	2009	2008
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Rental income	1.1	1.1	2.3	2.1
Bad trade debts recovered	0.7	1.6	1.7	4.3
Net exchange loss - trade related	(8.2)	(14.7)	(7.4)	(12.5)
Net gain/ (loss) on disposal of property, plant and equipment	0.9	(2.3)	(0.8)	(3.2)
Others	25.8	31.7	49.9	54.5
	20.3	17.4	45.7	45.2

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***3. DEPRECIATION AND AMORTISATION**

Group	Quarter 30 Sep		Half year 30 Sep	
	2009 S\$ Mil (Unaudited)	2008 S\$ Mil (Unaudited)	2009 S\$ Mil (Unaudited)	2008 S\$ Mil (Unaudited)
Depreciation of property, plant and equipment	448.8	436.0	878.0	904.4
Amortisation of intangibles	15.9	12.4	29.9	26.8
Amortisation of sale and leaseback income	(0.4)	(0.6)	(0.9)	(1.1)
Amortisation of deferred gain on sale of joint venture company	(0.7)	(0.7)	(1.5)	(1.5)
	463.6	447.1	905.5	928.6

4. EXCEPTIONAL ITEMS

Group	Quarter 30 Sep		Half year 30 Sep	
	2009 S\$ Mil (Unaudited)	2008 S\$ Mil (Unaudited)	2009 S\$ Mil (Unaudited)	2008 S\$ Mil (Unaudited)
Exceptional gains				
Gain on disposal of AFS investment	2.3	-	2.3	-
Gain on dilution of interest in associated and joint venture companies	1.8	0.5	2.1	2.6
Write-back of impairment charge for property, plant and equipment	-	-	-	10.8
	4.1	0.5	4.4	13.4

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***5. SHARE OF EXCEPTIONAL ITEMS OF ASSOCIATED AND JOINT VENTURE COMPANIES**

Group	Quarter 30 Sep		Half year 30 Sep	
	2009	2008	2009	2008
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Write-back of overprovision for concession rights payable	-	-	-	15.6
Gain on dilution of equity interest in a subsidiary	-	-	-	8.0
Write-back of impairment charge for property, plant and equipment	-	-	-	3.7
Recognition of prior years' frequency fees	-	-	-	(15.4)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>11.9</u>

6. INTEREST AND INVESTMENT INCOME/ (EXPENSE) (NET)

Group	Quarter 30 Sep		Half year 30 Sep	
	2009	2008	2009	2008
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Interest income from				
- bank deposits	3.5	12.4	6.1	26.1
- FVTPL investments	0.1	0.2	0.2	0.3
- others	0.6	0.2	0.7	0.4
	4.2	12.8	7.0	26.8
Gross dividends from trading investments	16.7	18.1	17.6	20.7
Fair value losses on FVTPL investments and hedging instruments	(14.0)	-	(13.9)	(0.2)
Fair value gains/ (losses) on fair value hedges				
- hedged item	96.3	42.7	472.6	301.7
- hedged instrument	(96.3)	(42.7)	(472.6)	(301.7)
	-	-	-	-
Currency translation differences released upon capital reduction of subsidiary	-	66.5	-	66.5
Net exchange losses	(6.2)	(17.5)	(18.1)	(9.4)
	<u>0.7</u>	<u>79.9</u>	<u>(7.4)</u>	<u>104.4</u>

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***7. FINANCE COSTS**

Group	Quarter 30 Sep		Half year 30 Sep	
	2009	2008	2009	2008
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Interest expense on				
- bonds	69.9	97.6	145.4	197.0
- bank loans	14.4	20.1	25.8	38.3
- others	2.7	1.3	5.3	2.6
	87.0	119.0	176.5	237.9
Less: Amounts capitalised in balance sheet	(4.7)	(3.2)	(5.9)	(5.6)
	82.3	115.8	170.6	232.3
Effects of hedging using interest rate swaps	(13.9)	(17.5)	(28.0)	(33.3)
Unwinding of discounts (including adjustments)	1.3	1.4	2.5	2.7
	69.7	99.7	145.1	201.7

8. TAX EXPENSE

Group	Quarter 30 Sep		Half year 30 Sep	
	2009	2008	2009	2008
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Current and deferred tax expense attributable to current period's profits	161.2	163.0	342.7	355.7
Recognition of deferred tax assets on other temporary differences ⁽¹⁾	(30.0)	(21.9)	(58.0)	(58.2)
Current and deferred tax adjustments in respect of prior years	-	-	1.3	0.5
	131.2	141.1	286.0	298.0

Note:

(1) This relates to deferred tax asset recognised on interest expenses arising from inter-company loans.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***9. OTHER INCOME STATEMENT ITEMS**

Group	Quarter 30 Sep		Half year 30 Sep	
	2009 S\$ Mil (Unaudited)	2008 S\$ Mil (Unaudited)	2009 S\$ Mil (Unaudited)	2008 S\$ Mil (Unaudited)
Impairment of trade receivables	34.0	38.1	68.1	73.7
Allowance for inventory obsolescence	2.7	1.5	3.8	2.3
Bad trade receivables written off	-	0.4	2.4	1.7

10. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

Group	Quarter 30 Sep		Half year 30 Sep	
	2009 '000 (Unaudited)	2008 '000 (Unaudited)	2009 '000 (Unaudited)	2008 '000 (Unaudited)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share	15,922,182	15,914,870	15,914,933	15,910,629
Adjustment for dilutive effect of share options	7,793	10,521	7,418	11,727
Adjustment for dilutive effect of SingTel Performance Share Plan	42,372	57,996	42,372	57,996
Weighted average number of ordinary shares for calculation of diluted earnings per share	15,972,347	15,983,387	15,964,723	15,980,352

The weighted average number of ordinary shares in issue had been adjusted to exclude the number of performance shares held by the Trust.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***11. GROUP'S BORROWINGS AND DEBT SECURITIES**

Group	As at	
	30 Sep 09 S\$ Mil (Unaudited)	31 Mar 09 S\$ Mil (Audited)
Unsecured borrowings		
Repayable within one year	996.2	1,427.4
Repayable after one year	5,950.6	6,047.5
	6,946.8	7,474.9
Secured borrowings		
Repayable within one year	10.4	6.4
Repayable after one year	17.2	13.7
	27.6	20.1
	6,974.4	7,495.0

Secured borrowings comprised finance lease liabilities.

12. DETAILS OF MATERIAL ASSOCIATED AND JOINT VENTURE COMPANIES

	Contribution to net profit after tax			
	Equity interest as at		Quarter	
	30 Sep		30 Sep	
	2009 % (Unaudited)	2008 % (Unaudited)	2009 S\$ Mil (Unaudited)	2008 S\$ Mil (Unaudited)
Equity accounted associated and joint venture companies				
Bharti Airtel Limited	30.4	30.4	204.0	198.7
PT Telekomunikasi Selular	35.0	35.0	182.5	142.3
Globe Telecom, Inc.	47.3	47.3	37.0	37.1
Advanced Info Service Public Company Limited	21.3	21.4	36.4	45.4
Warid Telecom (Private) Limited	30.0	30.0	(19.2)	(40.9)
Others			25.7	14.1
			466.4	396.7

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***12. DETAILS OF MATERIAL ASSOCIATED AND JOINT VENTURE COMPANIES (Continued)**

Contribution to net profit after tax

	Equity interest as at 30 Sep		Half year 30 Sep	
	2009	2008	2009	2008
	% (Unaudited)	% (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Equity accounted associated and joint venture companies				
Bharti Airtel Limited	30.4	30.4	435.4	408.9
PT Telekomunikasi Selular	35.0	35.0	358.8	285.0
Globe Telecom, Inc.	47.3	47.3	84.4	76.6
Advanced Info Service Public Company Limited	21.3	21.4	76.3	102.7
Warid Telecom (Private) Limited	30.0	30.0	(34.1)	(62.8)
Others			42.7	21.7
			963.5	832.1

The details of associated and joint venture companies are set out in Note 26 and Note 27 to the financial report respectively.

13. SHARE CAPITAL AND OTHER EQUITY INFORMATION

Group and Company	30 Sep 09	
	Number of shares Mil	Share capital S\$ Mil
	(Unaudited)	(Unaudited)
Balance as at 1 Jul 09	15,927.5	2,606.8
Issue of shares on exercise of share options	1.7	3.2
Balance as at 30 Sep 09	15,929.2	2,610.0

(a) Changes to share capital

In the current quarter ended 30 September 2009, the Company issued 1,633,300 ordinary shares upon the exercise of 1,633,300 share options under the Singapore Telecom Share Option Scheme 1999 (at exercise prices of between S\$1.41 and S\$2.85 per share).

(b) Outstanding share options

The number of shares that may be issued on conversion of all the outstanding share options under the Singapore Telecom Share Option Scheme 1999 as at 30 September 2009 was 16,604,050 (30 September 2008: 20,005,750).

(c) Performance shares

The number of outstanding performance shares under the SingTel Performance Share Plan as at 30 September 2009 was 57,274,768 (30 September 2008: 65,232,810).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***14. DIVIDENDS**

On 10 November 2009, the directors approved an interim one-tier exempt ordinary dividend of 6.2 cents (FY 2008/2009: 5.6 cents) per share totalling approximately S\$988 million in respect of the financial year ending 31 March 2010.

The financial statements for the half year ended, and as at, 30 September 2009 do not reflect this interim dividend. The dividend will be accounted for in the shareholders' equity as an appropriation of Retained Earnings in the quarter ending 31 December 2009.

In the half year ended 30 September 2009, a final one-tier exempt ordinary dividend of 6.9 cents per share totalling S\$1.10 billion was paid in respect of the previous financial year ended 31 March 2009.

15. NET ASSET VALUE

	Group As at		Company As at	
	30 Sep 09 (Unaudited)	31 Mar 09 (Audited)	30 Sep 09 (Unaudited)	31 Mar 09 (Audited)
Net asset value per ordinary share	139.49¢	128.67¢	58.15¢	60.00¢

As at balance sheet date, the number of ordinary shares of the Group used for the above calculation had been adjusted to exclude the number of performance shares held by the Trust.

16. CONTINGENT LIABILITIES**(a) Guarantees**

As at 30 September 2009,

- (i) The Group and Company provided bankers' and other guarantees and insurance bonds of S\$254.2 million and S\$20.9 million (31 March 2009: S\$226.9 million and S\$19.2 million) respectively.
- (ii) The Company provided guarantees for loans totalling S\$1.83 billion (31 March 2009: S\$1.54 billion) drawn down under various loan facilities entered into by SingTel Group Treasury Pte. Ltd. with maturity between October 2009 and November 2013.
- (iii) The Company provided a guarantee for US\$98 million (S\$139 million) (31 March 2009: US\$74 million) on a proportionate share basis in respect of a loan obtained by an associated company.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***16. CONTINGENT LIABILITIES (Continued)****(b) Appeal against the decision by Komisi Pengawas Persaingan Usaha Republik Indonesia ("KPPU") (Republic of Indonesia Commission for Supervision of Business Competition) (the "Commission") and institution of class action suits**

Singapore Telecommunications Limited ("**SingTel**") announced on 29 June 2007 that SingTel and its wholly-owned subsidiary, Singapore Telecom Mobile Pte Ltd ("**SingTel Mobile**"), had been called by the Commission to attend before it for an examination concerning the allegation of a violation by Temasek Business Group of Article 27(a)¹ of Law No.5 of 1999 (the "**Law**") relating to business competition matters.

On 20 November 2007, SingTel announced that the Commission had issued its decision (the "**Decision**"). The Decision states that SingTel and SingTel Mobile together with other parties to the proceedings (the "**Parties**") are in violation of Article 27(a) of the Law and that PT Telekomunikasi Selular ("**Telkomsel**") is in violation of Article 17(1)² of the Law.

The Decision orders, amongst other things, that (i) the Parties divest either Telkomsel or PT Indosat Tbk ("**Indosat**") within two years, (ii) Telkomsel reduces tariffs by at least 15 per cent and (iii) each of the Parties and Telkomsel pay 25 billion rupiah in fines.

SingTel and SingTel Mobile filed an appeal to the District Court of Central Jakarta on 19 December 2007. The District Court announced its ruling on 9 May 2008 dismissing SingTel's and SingTel Mobile's appeal, but (i) setting aside the order that Telkomsel reduce tariffs by at least 15 per cent; and (ii) reducing the fine for each of the Parties and Telkomsel to 15 billion rupiah (approximately S\$2 million). SingTel and SingTel Mobile appealed to the Supreme Court of the Republic of Indonesia on 22 May 2008.

By a written decision dated 9 September 2008, of which official notification was given to SingTel and SingTel Mobile on 25 November 2008, the Supreme Court dismissed the appeal.

On 20 May 2009, SingTel and SingTel Mobile filed an application to the Indonesian Supreme Court for civil review of the Supreme Court decision. On 9 June 2009, KPPU applied to the Central Jakarta District Court to enforce the Supreme Court Decision. Both applications are understood to be pending.

SingTel and SingTel Mobile will continue to take all necessary steps to protect their interests.

Two class action suits have been filed in Indonesia, in the Tangerang and Central Jakarta District Courts, against SingTel, SingTel Mobile, PT Telekomunikasi Indonesia Tbk, Indosat, the State Ministry of State Owned Enterprises of the Government of Indonesia and other parties largely similar to the Parties.

¹ Article 27(a) relates to the ownership of majority shares in several similar companies conducting business activities in the same field in the same market.

² Article 17(1) relates to the control of the production and or marketing of goods and or services which may result in monopolistic practices and or unfair business competition.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2009***16. CONTINGENT LIABILITIES (Continued)**

(b) **Appeal against the decision by Komisi Pengawas Persaingan Usaha Republik Indonesia ("KPPU") (Republic of Indonesia Commission for Supervision of Business Competition) (the "Commission") and institution of class action suits (continued)**

The Plaintiffs to the suits are consumers of cellular mobile services and have made their claims pursuant to the Consumer Protection Law and the Telecommunication Law.

The Plaintiffs seek interim relief which includes, amongst other things, an order for an attachment of shares in Telkomsel and Indosat and the assets of Telkomsel and Indosat. The Plaintiffs also seek substantial damages, amongst other things, as final relief.

The class actions are currently at a preliminary phase.

SingTel and SingTel Mobile have been advised by its legal advisers that the Plaintiffs' claims are without merit and will take all necessary steps to protect their interests.

(c) **Disputes concerning international telecommunications traffic**

As previously reported, Optus is in dispute with an international carrier regarding amounts due under contract. A judgment dismissing the international carrier's principal claims has been received in Optus' favour. A further judgment awarding a relatively small amount of damages has been received in the international carrier's favour. The international carrier had previously expressed an intention to appeal the principal judgment, however the period for filing its appeal has since expired.

(d) **Disputes concerning content supply**

Optus is in dispute with The Movie Network Channels Pty Limited ("**Movie Network**"), a content supplier, regarding license fees under a content supply agreement. Judgment has been received in Optus' favour. Movie Network has appealed the judgment. Optus is vigorously defending the appeal.

(e) **Other commercial disputes**

Optus (and certain subsidiaries) are in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2009

17. SIGNIFICANT DISPUTES AT JOINT VENTURE COMPANIES

- (a) In January 2008, TOT Public Company Limited and CAT Telecom Public Company Limited demanded additional payments of revenue share from Advanced Info Service Public Company Limited ("**AIS**") and its subsidiary, Digital Phone Company Limited ("**DPC**") respectively. The Group holds an equity interest of 21.3% in AIS Group.

AIS and DPC have stated that in their opinion, the amounts demanded are the same as the excise taxes that they have submitted to the Excise Department in prior years, according to the resolution of the Thai Cabinet dated 11 February 2003, and believe that the rulings of the Arbitration Panel shall have no impact to their financial statements. Both cases are in the arbitration process and it could take several years before an arbitral award is rendered.

- (b) Bharti Airtel Limited ("**Bharti**"), a 30.4% joint venture of the Group, has received demands for custom duty on imports of special software amounting to Rs 2,289 million (SingTel's equity share: S\$21 million) on the ground that this would form part of the hardware along with which the same has been imported. Bharti's view is that such imports should not be subject to any custom duty as it would be an operating software exempt from any custom duty. Bharti's management is of the view that the probability of the claims being successful is remote.

18. GROUP SEGMENT INFORMATION

The Group adopted FRS 108, **Operating Segments**, with effect from 1 April 2009 and identified the operating segments as follows -

Singapore – represent the services and products provided by SingTel and its subsidiaries (excluding Optus).

Australia – represent the services and products provided by Optus, a wholly-owned subsidiary of the Group domiciled in Australia.

Associates & Joint Ventures (“Assoc & JV”) – represent the Group’s investments in associated and joint venture companies which mainly comprise AIS in Thailand, Bharti in India, Globe Telecom, Inc. (“**Globe**”) in the Philippines, Pacific Bangladesh Telecom Limited (“**PBTL**”) in Bangladesh, Telkomsel in Indonesia, and Warid Telecom (Private) Limited (“**Warid**”) in Pakistan.

The main services and products provided by both Singapore and Australia are mobile communications, data and Internet, national telephone, information technology and engineering, sale of equipment, international telephone and pay television.

Segment results represent operating revenue less expenses. Corporate costs represent the allocated costs of the Group function not allocated to the reportable operating segments.

Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment and inventories. Corporate held-assets managed at corporate level include cash and bank balances, fixed deposits and AFS investments.

The comparative figures for the corresponding period ended 30 September 2008 were restated to be consistent with the current quarter’s presentation.

18. GROUP SEGMENT INFORMATION (Continued)*For the half year ended 30 September 2009*

Group - 2009 (Unaudited)	Singapore S\$ Mil	Australia S\$ Mil	Assoc & JV S\$ Mil	Elim S\$ Mil	Segment Total S\$ Mil	Corp S\$ Mil	Group Total S\$ Mil
Operating revenue	2,825.3	5,125.2	-	-	7,950.5	-	7,950.5
Segment results	855.2	505.6	-	-	1,360.8	(34.3)	1,326.5
Other income	24.2	21.4	-	-	45.6	0.1	45.7
Profit/ (Loss) before exceptional items	879.4	527.0	-	-	1,406.4	(34.2)	1,372.2
Exceptional items	2.3	-	-	-	2.3	2.1	4.4
Profit/ (Loss) on operating activities	881.7	527.0	-	-	1,408.7	(32.1)	1,376.6
Share of results of associated and joint venture companies							
- Bharti	-	-	435.4	-	435.4	-	435.4
- Telkomsel	-	-	358.8	-	358.8	-	358.8
- Globe	-	-	84.4	-	84.4	-	84.4
- AIS	-	-	76.3	-	76.3	-	76.3
- Others	-	-	8.6	-	8.6	-	8.6
	-	-	963.5	-	963.5	-	963.5
Profit/ (Loss) before interest, investment income (net) and tax	881.7	527.0	963.5	-	2,372.2	(32.1)	2,340.1
Interest and investment income/ (expense) (net)	-	4.3	-	-	4.3	(11.7)	(7.4)
Finance costs	-	(43.1)	-	-	(43.1)	(102.0)	(145.1)
Profit/ (Loss) before tax	881.7	488.2	963.5	-	2,333.4	(145.8)	2,187.6
Segment assets							
Investment in associated and joint venture companies							
- Bharti	-	-	3,661.0	-	3,661.0	-	3,661.0
- Telkomsel	-	-	2,822.6	-	2,822.6	-	2,822.6
- Globe	-	-	1,107.9	-	1,107.9	-	1,107.9
- AIS	-	-	567.5	-	567.5	-	567.5
- Others	-	-	782.5	-	782.5	-	782.5
	-	-	8,941.5	-	8,941.5	-	8,941.5
Goodwill on acquisition of subsidiaries	82.2	9,566.4	-	-	9,648.6	-	9,648.6
Other assets	4,299.6	12,290.5	-	(1,833.5)	14,756.6	1,834.3	16,590.9
	4,381.8	21,856.9	8,941.5	(1,833.5)	33,346.7	1,834.3	35,181.0

18. GROUP SEGMENT INFORMATION (Continued)*For the half year ended 30 September 2009*

Group - 2008 (Unaudited)	Singapore S\$ Mil	Australia S\$ Mil	Assoc & JV S\$ Mil	Elim S\$ Mil	Segment Total S\$ Mil	Corp S\$ Mil	Group Total S\$ Mil
Operating revenue	2,586.7	5,081.1	-	-	7,667.8	-	7,667.8
Segment results	783.2	498.3	-	-	1,281.5	(30.6)	1,250.9
Other income	13.5	23.6	-	-	37.1	8.1	45.2
Profit/ (Loss) before exceptional items	796.7	521.9	-	-	1,318.6	(22.5)	1,296.1
Exceptional items	10.8	-	-	-	10.8	2.6	13.4
Profit/ (Loss) on operating activities	807.5	521.9	-	-	1,329.4	(19.9)	1,309.5
Share of results of associated and joint venture companies							
- Bharti	-	-	408.9	-	408.9	-	408.9
- Telkomsel	-	-	285.0	-	285.0	-	285.0
- AIS	-	-	102.7	-	102.7	-	102.7
- Globe	-	-	76.6	-	76.6	-	76.6
- Others	-	-	(41.1)	-	(41.1)	-	(41.1)
	-	-	832.1	-	832.1	-	832.1
Profit/ (Loss) before interest, investment income (net) and tax	807.5	521.9	832.1	-	2,161.5	(19.9)	2,141.6
Interest and investment income (net)	-	15.0	-	-	15.0	89.4	104.4
Finance costs	-	(92.1)	-	-	(92.1)	(109.6)	(201.7)
Profit/ (Loss) before tax	807.5	444.8	832.1	-	2,084.4	(40.1)	2,044.3
Segment assets							
Investment in associated and joint venture companies							
- Bharti	-	-	2,719.8	-	2,719.8	-	2,719.8
- Telkomsel	-	-	2,712.4	-	2,712.4	-	2,712.4
- Globe	-	-	1,063.6	-	1,063.6	-	1,063.6
- AIS	-	-	625.4	-	625.4	-	625.4
- Others	-	-	1,101.3	-	1,101.3	-	1,101.3
	-	-	8,222.5	-	8,222.5	-	8,222.5
Goodwill on acquisition of subsidiaries	79.4	9,553.1	-	-	9,632.5	-	9,632.5
Other assets	4,120.6	11,294.9	-	(1,800.7)	13,614.8	2,131.9	15,746.7
	4,200.0	20,848.0	8,222.5	(1,800.7)	31,469.8	2,131.9	33,601.7

OTHER INFORMATION

19. As at 30 September 2009, SingTel won the bid for the rights to the Barclays Premier League matches for three years commencing August 2010, as well as the exclusive broadcast rights to a suite of sports networks and services from ESPN STAR Sports starting from mid-2010. There is no significant financial impact to the Group arising from the above matters for the second quarter and half year ended 30 September 2009.
20. On 9 October 2009, Optus completed a US\$500 million, 10-year note issue distributed to institutional investors in Asia and Europe. The notes carry a semi-annual coupon of 4.625% per annum and will mature on 15 October 2019. The notes are issued under Optus' EUR 2 billion 'Euro Medium Term Note Programme' announced in July 2009 and will be listed on the Singapore Exchange Securities Trading Limited. The notes are rated Aa3 by Moody's Investors Service and A+ by Standard & Poor's, in line with Optus' current credit ratings.
21. On 30 October 2009, a wholly-owned subsidiary of the Group entered into a conditional share purchase agreement with a Bharti Group entity to purchase an additional 730,000 issued shares in Bharti Telecom Limited ("BTL"), subject to applicable approvals or consents being obtained. Completion will take place on 12 November 2009 or such other date as the parties may agree. Following the acquisition, the Group's interest in BTL will increase from 32.81% to 36.16% and its effective interest in Bharti Airtel Limited will increase from 30.43% to 31.95%. The aggregate consideration, payable in cash, will be between approximately INR18,073 million to INR30,084 million.
22. The financial position as at 30 September 2009 and the results, statements of changes in equity and cash flows for the second quarter and half year ended 30 September 2009 presented in this announcement have not been audited, but have been reviewed by Deloitte & Touche LLP in Singapore in accordance with the Singapore Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (see review opinion on page 34 of this announcement).
23. **REVIEW OF PERFORMANCE OF THE GROUP**
- Please refer to the Management Discussion and Analysis of the Group for the second quarter and half year ended 30 September 2009.
24. **WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS.**
- Please refer to the Management Discussion and Analysis of the Group for the second quarter and half year ended 30 September 2009.
25. **A COMMENTARY AT THE DATE OF THE ANNOUNCEMENT OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT OPERATING PERIOD AND THE NEXT 12 MONTHS.**
- Please refer to the Management Discussion and Analysis of the Group for the second quarter and half year ended 30 September 2009.

26. ASSOCIATED COMPANIES OF THE GROUP

Name of Company	Percentage of effective equity held by the Group as at	
	30 Sep 09 %	30 Sep 08 %
ADSB Telecommunications B.V.	25.6	25.6
APT Satellite Holdings Limited	20.3	20.3
APT Satellite International Company Limited	28.6	28.6
Ayala Systems Technology, Inc ⁽¹⁾	30.0	-
Infoserve Technology Corp.	25.0	25.0
OpenNet Pte Ltd ⁽²⁾	29.9	-
Singapore Post Limited	25.6	25.7
Telescience Singapore Pte Ltd ⁽¹⁾	50.0	-
Viewers Choice Pte Ltd ⁽¹⁾	49.2	-
Warid Telecom (Private) Limited	30.0	30.0

Notes:

- (1) The company was acquired as part of the acquisition of SCS in the second half of the previous financial year.
- (2) The company was incorporated in the second half of the previous financial year.

27. JOINT VENTURE COMPANIES OF THE GROUP

Name of Company	Percentage of effective interest held by the Group as at	
	30 Sep 09 %	30 Sep 08 %
Abacus Travel Systems Pte Ltd	30.0	30.0
Acasia Communications Sdn Bhd	14.3	14.3
ACPL Marine Pte Ltd	41.7	41.7
Advanced Info Service Public Company Limited	21.3	21.4
APT Satellite Telecommunications Limited ⁽¹⁾	-	56.2
ASEAN Cables Pte Ltd	16.7	16.7
ASEAN Telecom Holdings Sdn Bhd	14.3	14.3
Asiacom Philippines, Inc.	40.0	40.0
Bharti Airtel Limited	30.4	30.4
Bharti Telecom Limited	32.8	32.8
Bridge Mobile Pte Ltd	33.4	33.4

27. JOINT VENTURE COMPANIES OF THE GROUP (Continued)

Name of Company	Percentage of effective interest held by the Group as at	
	30 Sep 09 %	30 Sep 08 %
Globe Telecom, Inc.	47.3	47.3
Grid Communications Pte Ltd	50.0	50.0
Indian Ocean Cables Pte Ltd	50.0	50.0
International Cables Pte Ltd	45.0	45.0
Main Event Television Pty Limited	33.3	33.3
OPEL Networks Pty Limited	50.0	50.0
Pacific Bangladesh Telecom Limited	45.0	45.0
Pacific Carriage Holdings Limited	40.0	40.0
PT Telekomunikasi Selular	35.0	35.0
Radiance Communications Pte Ltd	50.0	50.0
Southern Cross Cable Holdings Limited	40.0	40.0
TeleTech Park Pte Ltd	40.0	40.0
VA Dynamics Sdn Bhd	49.0	49.0

Note:

- (1) The Group regarded this company as a joint venture company, notwithstanding that it held more than 50% of the company's issued share capital, because it exercised joint control. The company was disposed in the second half of the previous financial year.

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter and half year ended 30 September 2009 to be false or misleading.

On behalf of the Board of Directors

Fang Ai Lian
Chairman of Audit Committee

Chua Sock Koong
Director

Singapore
10 November 2009

INDEPENDENT AUDITORS' REVIEW OPINION

The Board of Directors
Singapore Telecommunications Limited
31 Exeter Road
Comcentre
Singapore 239732

Dear Sirs

**SINGAPORE TELECOMMUNICATIONS LIMITED AND SUBSIDIARY COMPANIES
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE SECOND
QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009**

Introduction

We have reviewed the accompanying statement of financial position of Singapore Telecommunications Limited ("SingTel" or the "Company") as of 30 September 2009 and statement of changes in equity of the Company for the Second Quarter and Half Year then ended, the statement of financial position of Singapore Telecommunications Limited and its subsidiary companies (the "Group") as of 30 September 2009 and related income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the Second Quarter and Half Year then ended, selected notes and other explanatory notes ("interim financial information").

The Management of SingTel are responsible for the preparation and presentation of the interim financial information in accordance with Financial Reporting Standard 34 *Interim Financial Reporting* ("FRS 34"). Such interim financial information has been prepared by Management of SingTel for announcement on the Singapore Exchange and the Australian Securities Exchange. Our responsibility is to express a conclusion to this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FRS 34.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
10 November 2009