



Singapore Telecommunications Limited And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE SECOND HALF AND FINANCIAL YEAR ENDED 31 MARCH 2021

The financial statements for the year ended, and as at, 31 March 2021 are audited.

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

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

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

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SECTION 1 : GROUP**PERFORMANCE AT A GLANCE**

	Financial Year			Half Year			
	Mar 21 S\$ m	Mar 20 S\$ m	Mar 19 S\$ m	Mar 21 S\$ m	Sep 20 S\$ m	Mar 20 S\$ m	Sep 19 S\$ m
Operating Highlights							
Group mobile customer base (million) ⁽¹⁾	744	705	692	744	716	705	711
Mobile customer market share (%)							
- Singapore	51.0	50.4	49.9	51.0	51.6	50.4	49.8
- Australia ⁽²⁾	31.4	32.0	NA	31.4	31.7	32.0	NA
- Airtel India	29.8	28.4	28.0	29.8	28.4	28.4	27.7
- Telkomsel	58.7	59.3	60.9	58.7	59.2	59.3	59.9
- AIS	46.0	45.2	45.2	46.0	45.6	45.2	45.1
- Globe	52.6	55.0	56.6	52.6	51.9	55.0	57.7
Group Financials (S\$ million)							
Operating revenue	15,644	16,542	17,372	8,219	7,425	8,278	8,265
EBITDA	3,832	4,541	4,692	1,928	1,903	2,196	2,345
Share of associates' pre-tax profits	1,798	1,743	1,536	913	885	941	801
EBIT	2,945	3,704	4,006	1,464	1,481	1,843	1,861
Underlying net profit	1,733	2,457	2,825	896	837	1,145	1,312
Net profit/ (loss)	554	1,075	3,095	88	466	1,202	(127)
Free cash flow	3,395	3,781	3,650	1,689	1,705	1,788	1,993
Cash capex	2,214	2,037	1,718	1,118	1,096	1,134	903
Digitalisation and Cost Savings							
Digital revenue ⁽³⁾ as % of total revenue	16	15	14	17	15	16	15
As a % of total revenue							
- Direct costs ⁽⁴⁾	50	48	47	52	48	49	47
- Indirect costs ⁽⁴⁾	27	26	28	26	28	25	26
Cost savings (S\$ million)	386	444	541	186	200	181	263
Key Financial Indicators							
Proportionate EBITDA from outside Singapore (%)	78	79	76	79	77	79	78
Return on invested capital (%) ⁽⁵⁾	5.0	6.4	7.7	-	-	-	-
Return on equity (%) ⁽⁵⁾	2.1	3.8	10.4	-	-	-	-

"NA" denotes not available.

Notes:

- (1) Comprised the Group's mobile customers in the markets of Singapore, Australia and that of Airtel, Telkomsel, Globe and AIS.
- (2) Based on latest available market share at the end of December or June.
- (3) Comprised revenues from Group Digital Life and digital services across consumer and enterprise businesses.
- (4) Direct costs comprised mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.
- (5) Only applicable for full financial year.

SECTION 1 : GROUP

FINANCIAL HIGHLIGHTS

FOR THE SECOND HALF YEAR ENDED 31 MARCH 2021

- **Operating revenue was stable and EBITDA decreased 12%. In constant currency terms¹, operating revenue fell 4.8% and EBITDA was down 16% primarily due to lower NBN migration and legacy carriage revenues.**
- **Associates' post-tax profit contributions fell 5.1% on profit declines from Telkomsel and Globe, partly mitigated by improved operational performance from Airtel.**
- **Underlying net profit was down 22%.**
- **Net exceptional losses were recorded due mainly to non-cash impairment charges and provisions, compared to a net exceptional gain in last corresponding period.**
- **Free cash flow was down 5.5% on lower operating cash flow.**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

- **Operating revenue fell 5.4% and EBITDA was down 16% in a challenging year marked by the COVID-19 pandemic.**
- **Associates' post-tax profit contributions were stable as improved operational performance from Airtel offset profit declines from Telkomsel, AIS and Globe.**
- **Underlying net profit was down 30%.**
- **Net profit fell 49% after including net exceptional losses.**
- **Free cash flow declined 10% on lower operating cash flow and higher capital expenditure.**

¹ Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding second half year ended 31 March 2020.

SECTION 1 : GROUP

BUSINESS HIGHLIGHTS

- **The Group's combined mobile customer base reached 744 million as at 31 March 2021, up 27 million or 3.8% from 30 September 2020. The scale provided a strong platform for the Group to drive usage of mobile data services and expand into digital services, including content, mobile financial and gaming services.**

- **The Group achieved cost savings of S\$186 million during the second half year to reach S\$386 million for the financial year, with good progress made in its digitalisation and cost transformation programmes.**

SECTION 1 : GROUP

GROUP SUMMARY INCOME STATEMENT
For The Second Half And Financial Year Ended 31 March 2021

	Second Half		YOY		Year		YOY	
	31 Mar		Chg %	Chge in cc ⁽¹⁾ %	31 Mar		Chg %	Chge in cc ⁽¹⁾ %
	2021 S\$ m	2020 S\$ m			2021 S\$ m	2020 S\$ m		
Operating revenue	8,219	8,278	-0.7	-4.8	15,644	16,542	-5.4	-7.7
Operating expenses	(6,360)	(6,162)	3.2	-1.0	(11,954)	(12,180)	-1.9	-4.2
	1,860	2,116	-12.1	-16.0	3,690	4,363	-15.4	-17.5
Other income	69	80	-14.4	-19.1	142	179	-20.9	-23.0
EBITDA	1,928	2,196	-12.2	-16.1	3,832	4,541	-15.6	-17.7
- EBITDA margin	23.5%	26.5%			24.5%	27.5%		
Share of associates' pre-tax profits	913	941	-3.0	-1.2	1,798	1,743	3.2	4.0
EBITDA and share of associates' pre-tax profits	2,841	3,137	-9.4	-11.6	5,630	6,284	-10.4	-11.7
Depreciation	(1,192)	(1,118)	6.6	0.7	(2,324)	(2,229)	4.3	1.1
Amortisation of intangibles	(186)	(177)	5.1	0.6	(361)	(352)	2.5	-0.2
	(1,377)	(1,295)	6.4	0.6	(2,685)	(2,580)	4.0	0.9
EBIT	1,464	1,843	-20.6	-20.2	2,945	3,704	-20.5	-20.5
Net finance expense	(191)	(249)	-23.3	-25.8	(395)	(282)	40.2	37.8
Profit before exceptional items and tax	1,273	1,594	-20.1	-19.4	2,550	3,422	-25.5	-25.3
Taxation	(373)	(459)	-18.7	-17.6	(811)	(988)	-17.9	-17.3
Profit after tax	900	1,135	-20.7	-20.1	1,739	2,434	-28.6	-28.5
Minority interests	(4)	10	nm	nm	(6)	22	nm	nm
Underlying net profit	896	1,145	-21.7	-21.1	1,733	2,457	-29.5	-29.4
Exceptional items (post-tax)	(809)	57	nm	nm	(1,179)	(1,382)	-14.7	-12.0
Net profit	88	1,202	-92.7	-90.2	554	1,075	-48.5	-51.7

"nm" denotes not meaningful.

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

Note:

(1) Assuming constant exchange rates for the Australian Dollar, United States Dollar and/ or regional currencies from the corresponding second half/ year ended 31 March 2020.

SECTION 1 : GROUP

OUTLOOK FOR THE NEXT FINANCIAL YEAR ENDING 31 MARCH 2022

The resurgence of COVID-19 and tightened movement restrictions continue to weigh on regional economies. Against this backdrop, the operating environment remains challenging for the telecoms sector, as companies confront structural changes and elevated capital investment cycles.

Notwithstanding these challenges, the Group will embark on a strategic reset and continue to invest for medium to long-term growth by leveraging its core competencies. It will also maintain a strong balance sheet through a more active capital management programme.

The Group expects dividends from the regional associates to be approximately S\$1.3 billion and the Group's capital expenditure including 5G networks, to be around S\$2.4 billion, comprising A\$1.5 billion for Optus and S\$800 million for the rest of the Group².

Capital management and dividend policy

The Group is driving a transformation to deliver growth for the long term. Barring unforeseen circumstances, it plans to pay dividends at between 60% and 80% of underlying net profit. Singtel is committed to a sustainable dividend policy in line with earnings and cash flow generation. This policy will be reviewed regularly to reflect the progress of the Group's transformation. Singtel is also committed to an optimal capital structure, which enables investments for growth, while maintaining financial flexibility and investment-grade credit ratings.

FINAL DIVIDEND

The Directors have proposed a final ordinary dividend of 2.4 cents per share (FY2020: 5.45 cents per share), totalling approximately S\$396 million for the current financial year ended 31 March 2021. The Singtel Scrip Dividend Scheme ("**Scheme**") will not be applied to the final dividend.

During the second half year, an interim dividend of 5.1 cents per share amounting to S\$833 million was paid in respect of the current financial year, of which S\$449 million was settled by issuance of shares under the Scheme. Together with this interim dividend, the ordinary dividends for the current financial year ended 31 March 2021 would be 7.5 cents per share (FY2020: 12.25 cents per share), totalling approximately S\$1.23 billion. This represents a payout ratio of 71% of underlying net profit.

REVIEW OF GROUP OPERATING PERFORMANCE

For The Second Half Year Ended 31 March 2021

For the second half year, the Group continued to face challenging market conditions due to travel and movement restrictions from the COVID-19 pandemic.

Operating revenue was stable and EBITDA decreased 12% on the back of 9% appreciation of the Australian Dollar from the corresponding half year. In constant currency terms, operating revenue fell 4.8% and EBITDA was down 16%.

² Excluding acquisitions and disposals.

SECTION 1 : GROUP

Year-on-year, the Singapore Consumer business recorded 8.3% decline in operating revenue, mainly due to reduced roaming, prepaid mobile and voice revenues. Roaming and prepaid services continued to be impacted by the drop in the number of tourists and foreign workers as a result of ongoing travel restrictions. However, equipment sales increased due to customers upgrading to 5G devices and the timing of certain premium handset launches. Consequently, EBITDA fell 21% with S\$4 million of Jobs Support Scheme credits received compared to S\$12 million in the same period last year.

In Australia, operating revenue in the Consumer business declined 6.1% year-on-year mainly driven by NBN migration revenues tapering off from the previous year's high. Excluding NBN migration revenues, operating revenue was stable. Mobile service revenue returned to growth driven by higher postpaid revenue from increased penetration of Optus Choice plans. However, customer growth, roaming and prepaid revenues continued to be impacted by COVID-19 shutdowns and travel restrictions which curtailed the number of inbound travellers and foreign students. Equipment sales revenue was higher due to increased activations from higher volume of premium handsets sales. EBITDA declined 21% reflecting the decline in NBN migration revenues and lower retail fixed margins due to a higher mix of low margin NBN customers. Excluding NBN migration revenues, EBITDA declined 5.0%.

Group Enterprise's operating revenue was stable but fell 2.0% in constant currency terms. ICT continued growth momentum driven by higher systems integration and applications development projects from NCS and increased data centre revenue boosted by demand for data storage services. The increase partly mitigated the decline in legacy voice and roaming revenues. EBITDA fell 3.0% after the Jobs Support Scheme credits declined steeply to S\$8 million from S\$31 million in the last corresponding half year.

Group Digital Life's operating revenue declined 9.7% due to a reduction in Amobee's revenue and the deconsolidation of HOOQ from 1 March 2020. Amobee's revenue was lower with the decline in its legacy services and TV revenues. This was partly offset by growth in the programmatic platform business. EBITDA turned positive, with the cessation of HOOQ's operations as well as Amobee's cost optimisation initiatives.

Pre-tax and post-tax operating profit contributions from the associates declined 3.0% and 5.1% respectively mainly on profit declines from Telkomsel and Globe, partly mitigated by improved operational performance from Airtel.

Airtel Group reported double-digit increases in operating revenue and EBITDA, boosted by strong performances in India and Africa. Both Telkomsel and AIS registered lower operating revenue and EBITDA as a result of lower mobile top-ups and weaker demand due to the pandemic. AIS' post-tax profit grew in constant currency terms as lower EBITDA and higher amortisation charges were mitigated by lower finance costs and foreign exchange gains. Globe's service revenue was stable with its broadband growth offset by decline in mobile, while earnings fell on higher network costs, depreciation and finance charges.

Depreciation and amortisation charges increased 6.4% but was stable in constant currency terms.

Net finance expense declined 23% as the last corresponding period included a reversal of accrued investment income from Singtel's investment as a pre-IPO shareholder of Airtel Africa upon settlement, and reduced interest expense on lower average interest rates.

The Group's tax expense decreased due to lower earnings.

Consequently, underlying net profit fell 22% to S\$896 million.

SECTION 1 : GROUP

The net exceptional losses (post-tax) of S\$809 million in the second half year were attributable to non-cash impairment charges on investments and network assets, which were partially mitigated by a gain on dilution in Singtel's equity interest in Airtel and share of the associates' net exceptional gains.

With net exceptional losses compared to net exceptional gains in the last corresponding period, net profit declined to S\$88 million.

Free cash flow for the second half year was S\$1.69 billion, down 5.5% from the last corresponding period mainly on lower operating cash flow.

For The Financial Year Ended 31 March 2021

Operating revenue and EBITDA for the Group fell 5.4% and 16% respectively, reflecting the steep decline in NBN migration revenues, and lower roaming and prepaid revenues in a year marked by the COVID-19 pandemic and challenges from the structural shift in the carriage business. However, healthy growth was recorded in ICT services led by NCS as customers accelerated their digitalisation efforts.

Associates' pre-tax operating profit contribution grew 3.2% while post-tax contribution was stable as reduced operating losses from Airtel, which reflected improved operating performance in India and Africa, were offset by declines from Telkomsel, AIS and Globe due to COVID-19 headwinds.

Net finance expense increased due to income received last year from Singtel's investment as a pre-IPO shareholder in Airtel Africa, which was partly offset by lower interest expense mainly on lower average interest rates.

Consequently, underlying net profit was down 30% to S\$1.73 billion.

The net exceptional losses (post-tax) of S\$1.18 billion arose mainly from non-cash impairment charges on investments and network assets and share of associates' net exceptional losses partially offset by dilution gains in Airtel. The net exceptional loss of S\$1.38 billion last year comprised mainly Singtel's share of Airtel's exceptional loss from provisions made for regulatory costs.

Net profit after including exceptional loss declined 49% to S\$554 million.

Free cash flow was S\$3.40 billion, down 10% on lower operational performance and higher capital expenditure, partly mitigated by favourable working capital and lower tax payments.

SECTION 1 : GROUP**NET FINANCE EXPENSE**

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Net interest expense						
- Interest expense	(187)	(225)	-16.7	(398)	(462)	-13.8
- Interest income	2	4	-56.8	3	8	-55.8
	(186)	(221)	-16.0	(395)	(454)	-13.1
Other finance income						
- Dividend income from Southern Cross	-	-	-	-	11	nm
- Investment income/ (write-back) ⁽¹⁾	5	(39)	nm	14	148	-90.8
- Other foreign exchange (loss)/ gain	(3)	8	nm	(7)	11	nm
- Net fair value (loss)/ gain ⁽²⁾	(6)	3	nm	(7)	2	nm
	(5)	(28)	-81.6	(1)	172	nm
Net finance expense	(191)	(249)	-23.3	(395)	(282)	40.2

"nm" denotes not meaningful.

Notes:

(1) Comprised mainly dividend and other income from 'Fair Value through Other Comprehensive Income' investments. Included S\$148 million of income from Singtel's investment as a pre-IPO shareholder of Airtel Africa in FY2020.

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

Interest expense fell 17% in the second half year on lower average interest rates.

The investment income adjustment in the same period last year was due to a reversal of accrued investment income from Singtel's investment as a pre-IPO shareholder of Airtel Africa upon settlement.

Other foreign exchange loss arose mainly from the revaluation loss of fixed deposits following the depreciation of the US Dollar during the second half year.

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

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m	2021 S\$ m	2020 S\$ m		
<u>Exceptional losses</u>						
Impairment of intangible assets and goodwill of:						
- Amobee	(589)	(195)	202.1	(589)	(195)	202.1
- Global Cyber Security Business ⁽²⁾	(336)	-	nm	(336)	-	nm
Optus' exceptional charges:						
- Impairment of property, plant and equipment	(204)	-	nm	(204)	-	nm
- Payroll review programme and other charges	(101)	-	nm	(101)	-	nm
Staff restructuring costs	(9)	(20)	-57.9	(18)	(50)	-64.5
Deconsolidation of HOOQ	-	(86)	nm	-	(86)	nm
Others ⁽³⁾	(9)	(16)	-42.2	(10)	(22)	-53.8
	(1,248)	(317)	294.0	(1,258)	(353)	256.8
<u>Exceptional gains</u>						
Dilution gains on Airtel	98	582	-83.3	647	670	-3.3
Gain on sale of properties	6	90	-93.6	6	97	-94.0
Others	1	-	nm	*	2	nm
	104	673	-84.6	653	768	-14.9
Net exceptional (losses)/ gains (pre-tax)	(1,144)	356	nm	(604)	416	nm
Tax credit on exceptional items	93	3	@	95	9	@
Group exceptional items (post-tax)	(1,050)	359	nm	(509)	424	nm
Share of Airtel's one-off items ⁽⁴⁾	93	(295)	nm	(819)	(1,799)	-54.5
Share of Telkomsel's one-off items	131	-	nm	131	-	nm
Share of Globe's one-off items	18	-	nm	18	-	nm
Share of Intouch's impairment charges	-	(7)	nm	-	(7)	nm
Share of associates' exceptional items (post-tax)	242	(302)	nm	(670)	(1,806)	-62.9
Net exceptional (losses)/ gains (post-tax)	(809)	57	nm	(1,179)	(1,382)	-14.7

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

Notes:

- (1) Exceptional items are material non-recurring items for which separate disclosure is considered necessary to avoid distortion of reported results of performance.
- (2) Comprised the cyber security businesses across the Group, including Trustwave Holdings, Inc.
- (3) Others comprised impairment of other assets, and other provisions.
- (4) Share of Airtel's net exceptional losses in FY2020 comprised mainly a provision made for regulatory demands on the Adjusted Gross Revenue matter.

The exceptional items in the second half year included non-cash impairment charges of S\$589 million (US\$438 million) and S\$336 million (US\$250 million) for the intangible assets and goodwill of Amobee and Global Cyber Security Business respectively. The ongoing industry and operational challenges and COVID-19 pandemic have resulted in underperformance of their business plans and impacted the recoverable values of these businesses. Singtel has commenced a strategic review to consider options for these businesses in order to sharpen the Group's focus and ensure that these assets are positioned for growth.

SECTION 1 : GROUP

With the completion of the NBN rollout in Australia and the subsequent migration of customers, Optus has undertaken a comprehensive review of its network assets and recorded non-cash impairment charges of S\$204 million (A\$197 million) due mainly to its legacy fixed access networks that will no longer be used. Consistent with other major corporations in Australia, Optus has also undertaken a programme to review its staff compensation and has recorded an exceptional charge of S\$101 million (A\$98 million) relating to staff payroll adjustments, professional fees as well as remediation of Optus' systems and processes.

The above exceptional losses were partially offset by exceptional gains which included a dilution gain of S\$98 million arising from a slight reduction in Singtel's equity interest in Bharti Airtel Limited ("**Airtel**") from 31.9% to 31.7% after shares were issued by Airtel. In March 2021, Airtel acquired the remaining 20% stake in Bharti Telemedia Limited from Lion Meadow Investment Ltd. (a Warburg Pincus entity) and issued shares as part of the acquisition consideration.

The Group also recorded its share of net exceptional gains (post-tax) amounting to S\$242 million from Airtel, Telkomsel and Globe in the second half year.

In November 2020, Bharti Infratel Limited ("**BIL**"), a 53.5%-owned subsidiary of Airtel, completed its merger with Indus Towers and the combined company was renamed Indus Towers Limited ("**Indus**"). Airtel owns 36.7%³ of Indus after the merger. As a result of this merger, Airtel recorded a gain on deemed disposal of BIL which was partially offset by exceptional charges due mainly to a reassessment of the carrying amounts of deferred tax balances, asset impairments and other provisions.

Telkomsel's one-off items comprised mainly a gain from the first phase of its sale of 6,050 telecommunication towers to PT Dayamitra Telekomunikasi for IDR 10.3 trillion (~S\$950 million).

Globe's one-off items included a fair value gain on its retained interest of a joint venture and a one-off tax credit arising from a reduction in the Philippines corporate tax rate from 30% to 25% which took effect retrospectively from 1 July 2020. This was partially offset by asset impairment charges.

³ In December 2020, Airtel acquired additional equity stake of 5% in Indus, taking its effective shareholding in Indus to 41.7%.

SECTION 1 : GROUP**TAX EXPENSE**

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Income tax expense						
Optus	10	72	-85.8	1	172	-99.7
Singtel and other subsidiaries	63	100	-37.3	143	200	-28.6
Total (a)	73	172	-57.6	144	372	-61.4
Share of associates' tax expense (b)	257	250	2.8	521	466	11.8
Withholding taxes on associates' dividend income ⁽¹⁾	43	38	15.1	146	149	-2.5
Total	373	459	-18.7	811	988	-17.9
Profit before exceptional items and tax	1,273	1,594	-20.1	2,550	3,422	-25.5
Exclude:						
Share of associates' pre-tax profits	(913)	(941)	-3.0	(1,798)	(1,743)	3.2
Adjusted pre-tax profit (c)	360	653	-44.8	752	1,679	-55.2
Effective tax rate of Singtel and subsidiaries (a)/(c)	20.2%	26.3%		19.1%	22.2%	
Share of associates' pre-tax profits (d)	913	941	-3.0	1,798	1,743	3.2
Effective tax rate of associates (b)/(d)	28.1%	26.5%		29.0%	26.7%	

Note:

(1) Withholding taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purposes, 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 the Group. The cash inflows upon the receipt of dividend are shown on **page 14**.

The reduction in tax expense was primarily due to lower earnings.

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

	As at		
	31 Mar 2021 S\$ m	30 Sep 2020 S\$ m	31 Mar 2020 S\$ m
Current assets (excluding cash)	5,778	5,808	6,176
Cash and bank balances	755	688	1,000
Non-current assets	41,466	41,378	41,779
Total assets	47,998	47,873	48,955
Current liabilities	9,137	8,218	10,579
Non-current liabilities	12,350	12,789	11,562
Total liabilities	21,487	21,007	22,141
Net assets	26,511	26,867	26,814
Share capital	4,574	4,127	4,127
Retained earnings	24,252	25,004	25,448
Currency translation reserve (loss)	(1,689)	(1,839)	(2,444)
Other reserves	(651)	(454)	(343)
Equity attributable to shareholders	26,486	26,839	26,789
Minority interests	26	28	25
	26,511	26,867	26,814

The Group continued to be in a strong financial position as at 31 March 2021. Singtel's ratings of A1 by Moody's and A by S&P Global Ratings remain strong among its peers in the global telecommunications industry.

The share capital increased S\$446 million (net of issuance costs) during the second half year due to shares issued under the Singtel Scrip Dividend Scheme for the interim dividend of current financial year.

The currency translation loss under equity decreased by S\$150 million from 30 September 2020 due mainly to translation gain for Optus but was partly offset by translation loss for Airtel.

SECTION 1 : GROUP

CAPITAL MANAGEMENT

	As at		
	31 Mar 2021 S\$ m	30 Sep 2020 S\$ m	31 Mar 2020 S\$ m
Gross debt			
Current debt	2,034	2,062	3,971
Non-current debt	10,826	11,332	10,202
Gross debt as reported in statement of financial position	12,860	13,394	14,173
Related net hedging liability/ (asset) ⁽¹⁾	260	13	(674)
Hedged gross debt	13,119	13,406	13,499
Less: Cash and bank balances	(755)	(688)	(1,000)
Net debt	12,365	12,718	12,499
Gross debt gearing ratio ⁽²⁾	33.1%	33.3%	33.5%
Net debt gearing ratio	31.8%	32.1%	31.8%
Net debt to EBITDA and share of associates' pre-tax profits ⁽³⁾	2.20X	2.28X	1.99X
Interest cover:			
EBITDA and share of associates' pre-tax profits/ net interest expense ⁽⁴⁾	14.3X	13.3X	13.8X

Notes:

- (1) The net hedging liability/ (asset) relates to the fair values of cross currency and interest rate swaps.
- (2) Gross debt gearing ratio refers to the ratio of gross debt to gross capitalisation. Gross capitalisation is the aggregate of gross debt, shareholders' funds and minority interests.
- (3) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.
- (4) Net interest expense refers to interest expense less interest income.

Net debt fell S\$354 million from 30 September 2020 to S\$12.37 billion as at 31 March 2021 on net repayment of borrowings. With lower net debt, net debt gearing ratio decreased to 31.8% from 32.1% half a year ago.

In April 2021, the Group issued S\$1.0 billion of subordinated perpetual securities at 3.30% per annum and also launched its first sustainability-linked revolving credit facility of S\$750 million for general corporate purposes.

SECTION 1 : GROUP

CASH FLOW

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Operating cash flow (before dividends from associates)	2,568	2,724	-5.7	4,319	4,523	-4.5
Dividends/ Distributions received from associates (net of withholding tax)	239	197	21.3	1,290	1,294	-0.3
Net cash inflow from operating activities	2,807	2,922	-3.9	5,609	5,817	-3.6
Net cash outflow for investing activities	(1,483)	(1,169)	26.9	(2,666)	(2,921)	-8.7
Net cash outflow for financing activities	(1,244)	(1,351)	-8.0	(3,190)	(2,457)	29.9
Net change in cash and cash equivalents	81	402	-79.9	(247)	440	nm
Exchange effects on cash and cash equivalents	(13)	44	nm	(2)	37	nm
Cash and cash equivalents at beginning of period ⁽¹⁾	673	544	23.8	990	513	93.1
Cash and cash equivalents at end of period ⁽¹⁾	741	990	-25.2	741	990	-25.2
Group cash capex						
Optus	675	780	-13.5	1,458	1,355	7.6
Singtel and other subsidiaries	443	354	25.3	756	682	10.9
	1,118	1,134	-1.4	2,214	2,037	8.7
Group free cash flow (before associates' dividends/ distributions)	1,450	1,591	-8.9	2,104	2,487	-15.4
Dividends/ Distributions received from associates (net of withholding tax)	239	197	21.3	1,290	1,294	-0.3
Group free cash flow	1,689	1,788	-5.5	3,395	3,781	-10.2

Note:

(1) Cash and cash equivalents excluded restricted cash relating to the provision of mobile money remittance and payment services in Singapore.

Cash Dividends/ Distributions from Associates/ Joint Ventures	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Telkomsel ⁽¹⁾	131	104	26.0	859	906	-5.1
AIS ⁽²⁾	-	-	-	209	212	-1.8
Globe ⁽³⁾	101	81	24.9	187	154	21.2
Intouch ⁽⁴⁾	-	-	-	73	73	-0.4
Airtel ⁽⁵⁾	-	-	-	28	-	nm
Regional associates	232	185	25.5	1,356	1,346	0.8
Other associates						
NetLink NBN Trust/ NetLink Trust ⁽⁶⁾	24	24	0.4	49	48	1.9
Southern Cross ⁽⁷⁾	-	-	-	-	11	nm
Others	12	12	-	29	35	-17.5
	36	36	0.3	78	94	-17.1
Total (before tax)	268	221	21.4	1,434	1,439	-0.4
Withholding taxes	(29)	(23)	22.7	(143)	(145)	-1.3
Dividends/ Distributions received from associates/ joint ventures (net of withholding tax)	239	197	21.3	1,290	1,294	-0.3

"nm" denotes not meaningful.

SECTION 1 : GROUP

Notes: Dividend policy, and receipts after 31 March 2021

- (1) Telkomsel declared a full year ordinary dividend of 97.5% on its FY2019 net profit (FY2018: 95%), and interim and special dividends for FY2020. The Group received its share of the ordinary dividend and special dividend of S\$728 million and S\$131 million respectively during the financial year, and interim dividend and special dividend of S\$378 million and S\$182 million respectively in April/ May 2021. The Group is expected to receive approximately S\$190 million in end May 2021.
- (2) AIS declared a full year dividend of 75% on its FY2020 net profit (FY2019: 70%). On 29 March 2021, AIS declared a final dividend of THB 3.68 per share for FY2020. The Group received its share of final dividend of S\$112 million in April 2021.
- (3) Globe's dividend policy is to pay 60%-75% of prior year's core net profit. Globe will pay its next quarterly dividend of PHP 27 per common share in June 2021. The Group's share of this dividend is approximately S\$47 million.
- (4) Intouch's policy is to pass through dividends received from its associates and subsidiaries after the deduction of operating expenses, subject to its financial needs or unless the payment of dividends would materially affect its operations. On 30 March 2021, Intouch declared a final dividend of THB 1.35 per share for FY2020. The Group received its share of interim dividend of S\$40 million in April 2021.
- (5) Airtel does not have a fixed dividend policy.
- (6) NetLink NBN Trust's policy is to distribute 100% of its cash available for distribution (CAFD), which includes distributions from its wholly-owned subsidiary NetLink Trust ("**NLT**"). NLT's distribution policy is to distribute at least 90% of its distributable income to NetLink NBN Trust after setting aside reserves and provisions for, amongst others, future capital expenditure, debt repayment and working capital as may be required. On 11 May 2021, NetLink NBN Trust declared a distribution of S\$0.0255 per unit for its distribution period from 1 October 2020 to 31 March 2021 which will be payable in June 2021. The Group's share of this distribution is approximately S\$25 million.
- (7) Southern Cross Cables Holdings Limited, part of the Southern Cross consortium, does not have a fixed dividend policy.

Net cash inflow from operating activities (before associates' dividend receipts) for the second half year declined 5.7% to S\$2.57 billion primarily from lower operational performance partly mitigated by lower cash taxes. Dividends from the associates grew mainly from higher dividends from Telkomsel and Globe. Consequently, total cash flow from operations declined 3.9% to S\$2.81 billion.

Net cash outflow for investing activities was S\$1.48 billion. Capital expenditure comprised S\$675 million (A\$671 million) for Optus and S\$443 million for the rest of the Group. Optus' capital investments in the second half year included A\$418 million for mobile network and A\$253 million for fixed and other core infrastructure. The other major capital investments for the rest of the Group included S\$90 million for mobile network and S\$353 million for fixed and other core infrastructure. Other investing cash flows in the second half year included payments of S\$254 million (A\$250 million) for the acquisition of the mobile business of amaysim Australia Limited and S\$58 million for the acquisition of 5G spectrum in Singapore.

The Group's free cash flow declined 5.5% to S\$1.69 billion mainly on lower operating cash flow.

Net cash financing outflow of S\$1.24 billion for the second half year mainly comprised net repayment of borrowings of S\$662 million, interim dividend payment of S\$383 million for the current financial year and interest payments for lease liabilities and other borrowings of S\$183 million.

SECTION 2 : SINGAPORE CONSUMER**SINGAPORE CONSUMER**

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

SUMMARY INCOME STATEMENT

For The Second Half And Financial Year Ended 31 March 2021

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Operating revenue	944	1,030	-8.3	1,816	2,110	-14.0
Operating expenses	(653)	(662)	-1.4	(1,207)	(1,381)	-12.6
	292	368	-20.6	609	729	-16.5
Other income ⁽¹⁾	9	11	-15.9	18	28	-36.4
EBITDA	301	378	-20.5	627	757	-17.3
- margin	31.8%	36.7%		34.5%	35.9%	
Depreciation & amortisation	(143)	(130)	9.6	(274)	(260)	5.2
EBIT	158	248	-36.3	353	497	-29.0

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Mobile service	374	462	-19.0	753	954	-21.0
Sale of equipment	274	260	5.6	469	537	-12.6
Leasing revenue ⁽²⁾	5	5	-6.1	10	9	5.5
Mobile	653	726	-10.1	1,232	1,500	-17.8
Fixed broadband ⁽³⁾	129	127	1.6	257	254	1.1
Residential Pay TV	94	100	-5.9	190	197	-4.0
Fixed voice	52	56	-8.0	106	113	-6.3
Others ⁽⁴⁾	17	20	-16.7	31	47	-32.7
Operating revenue	944	1,030	-8.3	1,816	2,110	-14.0

Notes:

- (1) Included trade foreign currency exchange differences, rental income, gain/loss on disposal of scrap copper and property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange gain amounted to less than S\$0.1 million (H2 FY2020: S\$0.5 million of loss) for the second half and S\$1 million of gain (FY2020: S\$2 million of loss) for the year ended 31 March 2021.
- (2) Comprised revenue from lease of handsets to mobile customers under two-year contracts.
- (3) Included sale of home equipment.
- (4) Included digital business, energy reselling and revenues from mobile network cabling works and projects.

SECTION 2 : SINGAPORE CONSUMER

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Cost of sales	358	346	3.4	630	716	-12.0
Selling & administrative	123	142	-13.5	242	283	-14.4
Staff costs	83	81	3.2	157	185	-15.2
Traffic expenses	77	84	-8.6	153	172	-11.1
Repair & maintenance	25	23	9.6	49	50	-2.2
Others	(13)	(14)	-1.5	(24)	(24)	-0.4
Operating expenses	653	662	-1.4	1,207	1,381	-12.6
Direct costs ⁽¹⁾	351	339	3.6	617	689	-10.4
Indirect costs ⁽¹⁾	302	324	-6.7	589	692	-14.8
Operating expenses	653	662	-1.4	1,207	1,381	-12.6

Note:

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

FINANCIAL PERFORMANCE**For The Second Half Year Ended 31 March 2021**

Operating results in the second half year were lifted by the gradual resumption of economic activities in Singapore. Operating revenue grew 8.4% compared to the first half, mainly driven by higher equipment sales on strong demand for popular premium handsets.

Year-on-year, the Singapore Consumer business continued to be impacted by the restrictions on travel and movement as a result of the ongoing pandemic. Operating revenue declined 8.3%, driven mainly by reduced roaming, prepaid mobile and voice revenues. The usage of roaming and prepaid services has been impacted by fewer tourists and foreign workers. Equipment sales increased 5.6% due to customers upgrading to 5G devices and the timing of certain premium handset launches.

Fixed broadband revenue grew 1.6% with higher broadband equipment sales, while service revenue was stable. Pay TV revenue was down 5.9% from a decline in the customer base, driven by the popularity of OTT video platforms, and lower advertising revenue.

Despite the tapering of Jobs Support Scheme credits, total operating expenses fell 1.4% from strong cost management. Cost of sales were higher, corresponding to increased equipment sales, but this was partly mitigated by a reduction in TV content costs due to contract negotiations and content rationalisation. Excluding Jobs Support Scheme credits of S\$4 million (H2 FY2020: S\$12 million), staff costs declined on lower average headcount and improved efficiency with more than 40% of sales transacted online and through self-service.

Consequently, EBITDA fell 21%. EBIT declined 36% after including higher depreciation charges from system and network investments.

SECTION 2 : SINGAPORE CONSUMER

For The Financial Year Ended 31 March 2021

EBITDA declined 17% from lower roaming and prepaid revenues. This was partly mitigated by higher Jobs Support Scheme credits and cost management. The reduction in Mobile, Pay TV and fixed voice revenues were partly offset by growth in fixed broadband equipment sales. EBIT declined 29% after including higher depreciation charges from system and network investments.

BUSINESS HIGHLIGHTS

Since last September, Singtel has been operating Singapore's fastest 5G non-standalone (NSA) network under a market trial, offering 5G speeds of up to 1.2 Gbps. This has seen Singtel boost its 5G coverage from the CBD to key residential hubs such as Bishan, Ang Mo Kio, Sengkang and Punggol. Singtel's customers have been enjoying the benefits of 5G with the recent launch of first-of-its-kind 5G XO Plus mobile plans, which include innovative applications such as augmented reality books (Bookful), virtual reality live music (MelodyVR) and data-free gaming (RiotGO). As of 31 March 2021, Singtel had more than 100,000 paid 5G customers.

Singtel has accelerated its 5G push, deploying hundreds of 5G Standalone ("SA") sites across the island, and successfully implemented the first 5G SA inbuilding coverage in VivoCity. There are plans to progressively expand 5G in-building coverage to more indoor sites in 2021, such as Ngee Ann City and selected Singtel Shops across Singapore. The 5G SA sites run on 3.5 GHz spectrum, enabling Singtel to deliver ultra-fast speeds and swifter response times. In preparation for 5G SA commercial launch, Singtel has begun issuing 5G SA compatible SIM cards to customers in late April 2021. Capable of supporting faster speeds, and lower latency rates as well as offering enhanced authentication and encryption, the new 5G SIM cards will ensure customers have a seamless and secure 5G experience.

In order to move closer to Singapore's Smart Nation goals and capture new digital growth opportunities, Singtel has embarked on re-skilling its existing staff, as well as partnering the Infocomm Media Development Authority (IMDA) and academia to build a talent pipeline in 5G and emerging technologies. Through structured training and courses, coupled with real work experience in the Singtel workplace, employees can develop and hone their 5G domain expertise and related skills.

As a result of its 5G achievements, Singtel won the Best Telco Service Provider (Singapore) award at the HWM+HWZ.com Tech Awards 2021. Singtel was also named the Best Fibre Broadband Service Provider (Singapore), solidifying its position as the top choice for mobile and home fibre broadband.

SECTION 3 : AUSTRALIA CONSUMER**AUSTRALIA CONSUMER**

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

SUMMARY INCOME STATEMENT

For The Second Half And Financial Year Ended 31 March 2020

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 A\$m	2020 A\$m		2021 A\$m	2020 A\$m	
Operating revenue	3,660	3,897	-6.1	7,088	7,753	-8.6
Operating expense	(2,747)	(2,723)	0.9	(5,299)	(5,300)	**
	914	1,174	-22.2	1,788	2,453	-27.1
Other income	47	46	0.8	96	100	-3.9
EBITDA	960	1,220	-21.3	1,884	2,553	-26.2
- margin	26.2%	31.3%		26.6%	32.9%	
Depreciation & amortisation	(791)	(793)	-0.3	(1,588)	(1,593)	-0.3
EBIT	170	427	-60.2	296	960	-69.2
NBN Migration revenues	108	323	-66.4	317	607	-47.7
Ex-NBN Migration revenues						
Operating revenue	3,552	3,574	-0.6	6,770	7,146	-5.3
EBITDA	852	897	-5.0	1,567	1,946	-19.5
EBIT	61	104	-40.9	(21)	353	nm

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 A\$m	2020 A\$m		2021 A\$m	2020 A\$m	
Incoming	106	114	-7.1	233	223	4.2
Outgoing	1,649	1,617	2.0	3,192	3,229	-1.1
Total Mobile Service	1,755	1,732	1.4	3,425	3,452	-0.8
Equipment	938	906	3.5	1,599	1,791	-10.7
Leasing Revenue ⁽¹⁾	52	100	-47.3	128	205	-37.5
Total Mobile Revenue	2,745	2,737	0.3	5,152	5,448	-5.4
Retail Fixed On-net	77	179	-57.2	199	439	-54.7
Retail Fixed Off-net ⁽²⁾	538	669	-19.5	1,148	1,256	-8.7
Total Retail Fixed ⁽³⁾	615	848	-27.5	1,347	1,695	-20.6
Total Wholesale & Fleet Fixed ⁽⁴⁾	300	312	-3.8	589	610	-3.4
Operating revenue	3,660	3,897	-6.1	7,088	7,753	-8.6

“***” denotes less than +/- 0.05% and “nm” denotes not meaningful.

SECTION 3 : AUSTRALIA CONSUMER

Notes:

- (1) Comprised revenue from lease of handsets to mobile customers under two-year contracts. Handset leasing plans are no longer offered since July 2019.
- (2) Included NBN migration and site preparation revenues of A\$108 million (H2 FY2020: A\$323 million) for the second half and A\$317 million (FY2020: A\$607 million) for the year ended 31 March 2021.
- (3) Included small-sized businesses.
- (4) Included medium-sized businesses.

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 A\$m	2020 A\$m		2021 A\$m	2020 A\$m	
Cost of sales	1,174	1,203	-2.4	2,111	2,315	-8.8
Selling & administrative	590	620	-5.0	1,205	1,191	1.2
Traffic expenses	571	540	5.7	1,142	1,041	9.7
Staff costs	284	239	18.9	588	529	11.1
Repairs & maintenance	93	84	10.7	187	157	18.6
Others	36	37	-4.6	67	67	0.7
Operating expenses	2,747	2,723	0.9	5,299	5,300	**
Direct costs ⁽¹⁾	1,856	1,870	-0.8	3,484	3,580	-2.7
Indirect costs	891	853	4.5	1,815	1,720	5.6
Operating expenses	2,747	2,723	0.9	5,299	5,300	**

*** denotes less than +/- 0.05%

Note:

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

FINANCIAL PERFORMANCE

For The Second Half Year Ended 31 March 2021

The Australian telecommunications market continued to face headwinds including the impact of the NBN on industry margins and the effects of the COVID-19 pandemic. Despite this, Optus has made significant progress in delivering to its strategy, with improvements to its underlying business.

Compared to the first half, operating revenue, EBITDA and EBIT grew 6.8%, 3.9% and 34% respectively, reflecting higher equipment sales, improved mobile net connections and ARPU growth, as well as strong cost management.

Operating revenue in the second half year declined 6.1% year-on-year mainly driven by NBN migration revenues tapering off from the previous year's high as the network rollout nears completion. Excluding NBN migration revenues, operating revenue was stable.

Mobile service revenue returned to growth driven by higher postpaid revenue from increased penetration of Optus Choice plans. This resulted in total Optus ARPU growth of 4.2% compared to the corresponding half year. However, customer growth, roaming and prepaid revenues continued to be impacted by COVID-19 shutdowns and travel restrictions which curtailed the number of inbound travellers and foreign students. Excluding the COVID-19 impact, mobile service revenue would have increased by mid-single digit. Equipment sales revenue rose 3.5% driven by higher activations due to the increased volume of premium handsets sales.

SECTION 3 : AUSTRALIA CONSUMER

Total operating expenses were stable. The increase in staff costs were due to write backs of staff incentive accruals in the corresponding half last year. Repair and maintenance expenses were higher from an expanded mobile network.

EBITDA and EBIT declined 21% and 60% year-on-year respectively reflecting the decline in NBN migration revenues and lower retail fixed margins due to a higher mix of low margin NBN customers. Excluding NBN migration revenues, EBITDA and EBIT declined 5.0% and 41% respectively.

For The Financial Year Ended 31 March 2021

Operating revenue declined 8.6% due to the COVID 19 pandemic and market headwinds which led to lower equipment sales and leasing revenues as well as lower fixed revenue including NBN migration revenues.

EBITDA and EBIT declined 26% and 69% respectively. Excluding NBN migration revenues, operating revenue and EBITDA declined 5.3% and 20% respectively, reflecting lower contribution from retail fixed, as well as lower equipment sales revenue from the first half year, and the higher mix of low margin NBN customers.

BUSINESS HIGHLIGHTS

Although the second half year saw a decline in the mobile customer base of 79,000⁴, this was a significant improvement over the first half year. The prepaid base declined by 71,000 as a result of lower customer additions from low numbers of travellers and foreign students due to the pandemic, as well as aggressive price competition.

The NBN broadband customer base grew by 181,000 from a year ago and accounted for 96% (H2 FY2020: 78%) of the total fixed broadband customer base as at 31 March 2021.

Optus continued to demonstrate product innovation through the expansion of its unique family offers, adding Family Internet plans with the WiFi Booster to the successful Family Mobile plans. In March 2021, the new Optus WiFi Secure service, which protects devices connected to Optus modems from online threats, was launched in partnership with McAfee. OptusPay, an interest-free device payment option was introduced to offer customers flexibility to pay off their devices over time. Game Path was another innovative feature introduced to deliver a 30% reduction in lag for gamers.

There was also continued promotion of the “Donate your Data™” initiative which supports disadvantaged young Australians with connectivity reaching nearly three million customer donations and nearly 26 million GBs of data since launch in December 2019 to March 2021.

Optus Sport secured the rights to Copa América 2021/2024 and UEFA Women’s Euros 2022, and added new home fitness content to the OS Fitness offering. Continuing the theme with promoting health and fitness, a partnership with AIA was also announced in March 2021, offering Optus and AIA customers access to exclusive offers and incentives to encourage active healthy lifestyles.

⁴ Including Enterprise customers, Optus’ total mobile customer base was down 89,800 and total postpaid customer base decreased 5,300 in the second half year.

SECTION 3 : AUSTRALIA CONSUMER

Working to disrupt and reinforce its presence in Australia's Mobile Virtual Network Operator (MVNO) market, Optus completed its acquisition of amaysim, Australia's largest MVNO business. Optus also launched GOMO, a new digital brand designed for those seeking simple plans and budget friendly telecommunication services.

In October 2020, Optus announced a record 5G download speed of 2.5+ Gbps on a Samsung Galaxy S20 5G in Australia. It also successfully claimed overall 5G speed leadership in Sydney and Melbourne, Australia's two largest cities, and switched on 5G connectivity at the Optus Stadium in Perth.

As a result of its continued investment in network, content and customer experience, Optus won a series of awards including the Commsday Edison Award for Best Fixed Wireless Operator and an ACOMM award for Best Mobile Service for its 5G Home service. In addition, Optus saw strong improvement in customer satisfaction, with Net Promoter Score at an all-time high of 34, up by over 55% since March 2020. Optus also closed the financial year with TIO complaints at a record low of 5.2 per 10,000 customers.

Optus' strong focus on customer experience was also evident during the recent severe 50-year record floods across New South Wales. A range of measures to support customers who were impacted were announced which included additional data, call diversion, service suspensions, free prepaid credits or bill waivers.

Optus also achieved an 11% point increase in employee engagement as measured in the annual Your Voice survey.

SECTION 4 : GROUP ENTERPRISE**GROUP ENTERPRISE**

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

SUMMARY INCOME STATEMENT

For The Second Half And Financial Year Ended 31 March 2021

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Operating revenue	3,082	3,095	-0.4	5,939	6,026	-1.4
Operating expenses	(2,342)	(2,334)	0.3	(4,458)	(4,489)	-0.7
	740	760	-2.7	1,481	1,537	-3.7
Other income ⁽¹⁾	17	20	-14.6	26	49	-46.5
EBITDA	757	780	-3.0	1,508	1,587	-5.0
- margin	24.6%	25.2%		25.4%	26.3%	
Depreciation & amortisation	(386)	(378)	2.0	(748)	(729)	2.6
EBIT	371	402	-7.6	760	858	-11.5

SECTION 4 : GROUP ENTERPRISE

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Managed Services ⁽²⁾	1,046	948	10.4	1,950	1,777	9.7
Business Application Services ⁽³⁾	309	294	5.3	592	564	5.0
Cyber Security	293	310	-5.3	564	566	-0.2
Communications Engineering ⁽⁴⁾	89	89	-0.3	153	145	5.0
ICT	1,737	1,640	5.9	3,259	3,052	6.8
<i>Digital revenue ⁽⁵⁾ as % of ICT revenue</i>	<i>46%</i>	<i>42%</i>		<i>44%</i>	<i>42%</i>	
Mobile service	264	316	-16.5	535	663	-19.3
Sale of equipment	178	179	-0.3	318	359	-11.5
Mobile	442	495	-10.6	853	1,022	-16.6
Data and Internet ⁽⁶⁾	716	748	-4.3	1,430	1,510	-5.3
Fixed voice	162	183	-11.7	348	384	-9.3
Others ⁽⁷⁾	25	29	-13.6	49	57	-14.9
Carriage	1,345	1,455	-7.6	2,680	2,974	-9.9
Operating revenue	3,082	3,095	-0.4	5,939	6,026	-1.4
ICT as % of total revenue	56%	53%		55%	51%	

Notes:

- (1) Included trade foreign exchange differences, rental income, gain/loss on disposal of scrap copper, property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange losses amounted to S\$5 million (H2 FY2020: S\$1 million) for the second half and S\$4 million (FY2020: S\$0.1 million) for the year ended 31 March 2021.
- (2) Included facility management, managed and network services, and value-added reselling and services.
- (3) Included bespoke and packaged business application implementation and management services, SAP Solutions, Microsoft Solutions, Enterprise Application Delivery, Operational Excellence and Testing Services.
- (4) Included implementation and management of telecommunications infrastructure, aviation communications, secured communications, video technology and analytics, sensors, as well as command and control systems.
- (5) Refers to capabilities in Digital (data analytics, mobility, artificial intelligence), Cloud (development of cloud strategies and implementations), Platforms (internet of things (IoT) solutions, intelligent data fusion platform, smart video analytics platform) and Cyber Security.
- (6) Included local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.
- (7) Included TV, facility rentals and other miscellaneous revenue.

SECTION 4 : GROUP ENTERPRISE

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Cost of sales	1,042	1,020	2.2	1,919	1,866	2.9
Staff costs	786	703	11.9	1,480	1,435	3.2
Selling & administrative	242	309	-21.8	487	585	-16.7
Traffic expenses	191	222	-14.0	406	448	-9.5
Repair, maintenance and others	81	80	0.7	166	155	7.1
Operating expenses	2,342	2,334	0.3	4,458	4,489	-0.7
Direct costs ⁽¹⁾	1,620	1,573	3.0	3,023	2,993	1.0
Indirect costs ⁽¹⁾	722	762	-5.3	1,434	1,496	-4.1
Operating expenses	2,342	2,334	0.3	4,458	4,489	-0.7

Note:

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

SECTION 4 : GROUP ENTERPRISE

FINANCIAL PERFORMANCE

For The Second Half Year Ended 31 March 2021

Group Enterprise's operating revenue was stable but fell 2% in constant currency terms.

ICT continued growth momentum, partly mitigating the decline in legacy voice revenue amid weak business conditions due to COVID-19. ICT revenue grew 5.9% year-on-year and contributed 56% of Group Enterprise's overall revenue, up from 53% in the last corresponding half year. ICT revenue was mainly driven by higher systems integration and applications development projects from NCS and increased data centre revenue boosted by demand for data storage services.

Overall carriage services revenue declined 7.6%. Mobile revenue fell 11% from lower roaming due to the extended travel restrictions and intense price competition. Fixed voice revenue declined 12% on price erosions and decline in switched voice business due to continued customers' migration to lower cost IP-based solutions.

EBITDA declined 3.0% after S\$8 million of Jobs Support Scheme credits were received compared to S\$31 million in the last corresponding half year. Consequently, EBIT fell 7.6% after including higher depreciation charges mainly from a major data centre.

For The Financial Year Ended 31 March 2021

Group Enterprise's operating revenue was down 1.4% to S\$5.94 billion. Overall carriage services revenue fell 9.9% led by the steep decline in roaming, but was partly mitigated by ICT growth of 6.8% as businesses accelerated their digitalisation plans.

EBITDA fell 5.0% on weaker operating revenue. EBIT declined 12% after including higher depreciation charges mainly from a major data centre.

BUSINESS HIGHLIGHTS

Singtel continued to roll out 5G and introduced GENIE, the world's first portable 5G-in-a-box platform. GENIE can be set up in less than an hour and allows enterprises to experience 5G capabilities and implement relevant use cases in their premises.

Singtel has also entered into various strategic partnerships. It signed a memorandum of understanding (MOU) with Surbana Jurong to co-create smart city solutions, starting with integrated facilities management. Singtel also signed a MOU with Hyundai Motors to develop industry 4.0 advanced digital solutions in the push for smart manufacturing of vehicles, and connectivity of electric vehicle batteries among others.

Singtel has been recognised as a Leader in the inaugural IDC MarketScape: Asia/Pacific Communications SP SD-WAN Managed Services 2020 Vendor Assessment in February 2021.

SECTION 4 : GROUP ENTERPRISE

SUPPLEMENTARY INFORMATION

NCS ⁽¹⁾

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Managed Services ⁽²⁾						
NCS-originated	615	572	7.4	1,123	1,026	9.4
Singtel-originated ⁽³⁾	64	81	-21.4	139	153	-9.0
	678	653	3.8	1,262	1,179	7.0
Business Application Services ⁽⁴⁾	317	301	5.4	607	579	4.8
Communications Engineering ⁽⁵⁾	125	109	14.2	220	199	10.5
Cyber Security	99	109	-8.7	186	184	1.1
Operating revenue	1,220	1,173	4.0	2,275	2,142	6.2
<i>Digital revenue ⁽⁶⁾ as % of total revenue</i>	<i>45%</i>	<i>37%</i>		<i>41%</i>	<i>37%</i>	
<i>Gross margin (%) ⁽⁷⁾</i>	<i>17%</i>	<i>15%</i>		<i>17%</i>	<i>15%</i>	
EBITDA	151	160	-5.7	330	293	12.8
EBIT	111	115	-3.6	249	210	18.8

Notes:

- (1) Based on the standalone results of NCS group, which include revenue earned as a vendor to the other entities in the Singtel Group. Certain products and services purchased by the other Singtel entities from NCS are subsequently sold to third parties.
- (2) Included enterprise infrastructure management services in areas ranging from infrastructure architecture and service management, systems and database administration, network integration and management, data centre and business continuity planning, end user computing and service desk operation.
- (3) Singtel-originated business will be progressively transferred to Singtel with effect from 1 April 2021 as part of the restructuring of Singtel Group.
- (4) Included bespoke and packaged business application implementation and management services, SAP Solutions, Microsoft Solutions, Enterprise Application Delivery, Operational Excellence and Testing Services.
- (5) Included implementation and management of telecommunications infrastructure, aviation communications, secured communications, video technology and analytics, sensors, IoT solutions as well as command and control systems.
- (6) Also known as NEXT Services revenue. Refers to capabilities in Digital (data analytics, mobility, artificial intelligence), Cloud (development of cloud strategies and implementations), Platforms (internet of things (IoT) solutions, intelligent data fusion platform and smart video analytics platform) and Cyber Security.
- (7) Gross margin refers to revenue less direct operating expenses and related depreciation & amortisation charges.

For The Second Half Year Ended 31 March 2021

NCS continued its growth momentum in the second half year with revenue rising 4.0% to S\$1.22 billion from broad-based growth across all lines of business. It is well positioned to help its clients accelerate digital transformation and be better prepared for the post-COVID recovery.

Both EBITDA and EBIT included Jobs Support Scheme credits recognised from March 2020. Excluding these credits, EBITDA and EBIT growth of 6.2% and 15% remained strong as a result of revenue growth and improved margins.

SECTION 4 : GROUP ENTERPRISE

As NCS continues to invest in digital government capabilities and expedite the growth in the enterprise sector, it recorded strong bookings of S\$1.3 billion during the second half year comprising new wins and contract renewals in its Public Sector business as well as a significant win in Financial Services business.

With COVID-19 driving greater demand for digital services from both public sector and enterprise clients, NCS NEXT Services revenue grew 25% year-on-year contributing 45% of total operating revenue, up from 37% in the same period last year. This was achieved through growing and deepening NEXT Services and capabilities in digital, cloud, platforms and cyber.

During the year, NCS expanded its NEXT Services beyond Singapore with the launch of NCS NEXT Australia in Melbourne and the NEXT Innovation Centre in Shenzhen. Together, they form the NCS NEXT Innovation Triangle, which allows clients to get access to best-of-breed technologies, digital capabilities and deep-tech talent across the Asia Pacific region.

In the past six months, NCS has enjoyed synergies from the acquisition of digital consultancy, 2359 Media. It is now in the process of integrating DataSpark, a telco-centric data science and engineering subsidiary of the Group. Both companies bring complementary capabilities in digital consulting, big data, advanced analytics, custom-built mobile applications and mobility intelligence services to support enterprises in their digital transformation and apps modernisation.

For The Financial Year Ended 31 March 2021

NCS recorded strong revenue growth of 6.2% boosted by all lines of business with the acceleration of digitalisation efforts and increased technology adoption by companies. The establishment of the NCS NEXT organisation accelerated the growth of NEXT Services as operating revenue rose 18% year-on-year to account for 41% of total operating revenue as compared to 37% in the previous year.

Bookings amounted to S\$2.1 billion for the year ended 31 March 2021, setting NCS on a firm footing for the new financial year.

Both EBITDA and EBIT were driven by strong revenue growth, improved margins and Jobs Support Scheme credits.

SECTION 4 : GROUP ENTERPRISE**Trustwave ⁽¹⁾**

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 US\$ m	2020 US\$ m		2021 US\$ m	2020 US\$ m	
Technology and Consulting Services	127	129	-1.5	240	235	2.0
Managed Security Services	59	61	-2.3	110	107	3.2
Security Business	186	189	-1.7	350	342	2.4
Compliance Business	22	25	-11.9	43	50	-12.7
Operating revenue	208	215	-2.9	393	391	0.5
Gross margin (%) ⁽³⁾	28%	31%		28%	33%	
EBITDA	(29)	(8)	277.9	(61)	(32)	91.8
EBIT	(54)	(38)	45.1	(110)	(86)	28.2

Notes:

- (1) Based on the standalone results of Trustwave group, which include revenue earned as a vendor to the other Singtel entities in the Group. Certain products and services purchased by the other Singtel entities from Trustwave are subsequently sold to third parties.
- (2) Gross margin refers to revenue less direct operating expenses and related depreciation & amortization charges.

For The Second Half Year Ended 31 March 2021

Security revenue fell 1.7% largely due to a weak performance in the U.S. from smaller government deals partly offset by growth in Australia.

Compliance revenue fell 12% as a result of continued commoditisation in the traditional payment card industry (PCI) compliance business and price competition.

Gross margin dropped largely due to lower mix of government deals and higher Managed Security Services (MSS) costs. Negative EBITDA increased on lower gross margin and higher staff-related expenses including stock options.

For The Financial Year Ended 31 March 2021

Security revenue grew 2.4%, reflecting robust growth in Australia and Asia, but this was partially offset by revenue decline in the U.S. largely due to smaller government deals. Compliance revenue fell 13% due to continued commoditisation and price competition. Negative EBITDA increased mainly due to lower gross margin and higher staff-related expenses.

Trustwave MailMarshal and Trustwave DbProtect emerged as finalists in the prestigious 2021 US SC Awards⁵. Trustwave MSS and Trustwave Digital Forensics and Incident Response (DFIR) were named finalists in the 2021 EMEA SC Awards for Global MSS Providers and in the IDC MarketScope for Worldwide MSS.

⁵ SC Awards honour the achievements of the cybersecurity brands and professionals striving to safeguard businesses, their customers, and critical data.

SECTION 5 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE

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

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

SUMMARY INCOME STATEMENT

For The Second Half And Financial Year Ended 31 March 2021

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Operating revenue	547	586	-6.7	993	1,206	-17.6
Intercompany eliminations	(46)	(31)	48.3	(78)	(61)	28.0
Operating revenue	501	555	-9.7	916	1,145	-20.1
Operating expenses	(502)	(570)	-11.9	(934)	(1,196)	-21.9
	(1)	(14)	-95.1	(18)	(50)	-64.1
Other income	1	2	-41.7	4	2	63.6
EBITDA	1	(12)	nm	(15)	(48)	-69.9
Depreciation & amortisation	(46)	(50)	-8.0	(93)	(92)	1.7
EBIT	(46)	(62)	-26.8	(108)	(140)	-23.0

Amobee group	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 US\$ m	2020 US\$ m		2021 US\$ m	2020 US\$ m	
Operating revenue	402	408	-1.5	720	845	-14.8
Intercompany eliminations	(33)	(20)	65.2	(56)	(40)	40.9
Operating revenue	369	388	-4.9	664	805	-17.6
Gross margin %	22%	24%		22%	25%	
EBITDA	7	14	-45.9	4	25	-85.4
EBIT	(22)	(15)	41.8	(54)	(27)	101.9

Note:

*A negative sign for year-on-year change in EBITDA and EBIT denotes decrease in losses.
“nm” denotes not meaningful.

SECTION 5 : GROUP DIGITAL LIFE

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Cost of sales	376.8	444.2	-15.2	689.8	904.3	-23.7
Staff costs	87.3	105.2	-17.0	172.8	222.6	-22.4
Selling & administrative	24.2	8.3	191.6	43.1	45.2	-4.6
Others	13.7	12.0	14.2	28.1	23.7	18.6
Operating expenses	502.0	569.7	-11.9	933.8	1,195.8	-21.9

FINANCIAL PERFORMANCE**For The Second Half Year Ended 31 March 2021**

Operating revenue fell 9.7% due to a reduction in Amobee's revenue and the deconsolidation of HOOQ from 1 March 2020.

Amobee's revenue declined 4.9% as the growth in its programmatic platform business was offset by a decline in legacy services and TV revenue following the licensing of its technology platform to ITV plc in July 2019.

Despite lower operating revenue, GDL achieved positive EBITDA and reduced EBIT losses due to the cessation of HOOQ's operations and Amobee's cost optimisation initiatives.

For The Financial Year Ended 31 March 2021

Operating revenue decreased 20% due to the deconsolidation of HOOQ and lower revenue from Amobee which saw reduced advertising spend by agencies and advertisers as a result of COVID-19.

Both EBITDA and EBIT improved on cessation of HOOQ's operations.

The Group has recognised a non-cash impairment charge of S\$589 million (US\$438 million) on the intangible assets and goodwill of Amobee in the second half year, and has commenced a strategic review of Amobee (see Page 9).

SECTION 6 : INTERNATIONAL GROUP**INTERNATIONAL GROUP**

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

Besides the focus on the associates’ markets, IG has two key digital initiatives – mobile financial business and gaming business. Mobile financial business includes Dash’s payment and remittance business, and the regional VIA cross-border mobile payment alliance. In the gaming space, IG is growing a gaming business ecosystem in the region with partners. This includes tapping on the partners’ platforms and channels to scale up regional e-sports events and leagues.

SUMMARY INCOME STATEMENT

For The Second Half and Financial Year Ended 31 March 2021

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Operating revenue	10	5	86.8	17	10	72.4
Operating expenses	(40)	(39)	2.6	(65)	(67)	-2.1
Other income/ (expense)	(30)	(34)	-10.7	(49)	(57)	-14.9
	*	(1)	nm	5	2	183.3
EBITDA	(30)	(34)	-12.8	(43)	(55)	-21.4
Depreciation & amortisation	(5)	(2)	87.5	(7)	(5)	43.1
EBIT	(34)	(37)	-6.3	(51)	(60)	-15.9

Note:

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

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

** denotes less than +/-S\$0.5 million.

“nm” denotes not meaningful.

SECTION 6 : INTERNATIONAL GROUP

FINANCIAL PERFORMANCE

For The Second Half Year Ended 31 March 2021

Operating revenue growth was mainly driven by Dash's remittance, financial products and payment services.

Dash's remittance transaction value tripled from the last corresponding period, capitalising on a growing remittance market in the region and the expansion of mobile remittance platform capabilities to more countries. Overall transaction value grew more than three times compared to the last corresponding half year as it continued to strengthen its mobile payments solution value proposition. Dash's monthly active user base at 31 March 2021 rose strongly by 43% from a year ago.

EBITDA and EBIT losses decreased on revenue growth.

For The Financial Year Ended 31 March 2021

For the year, operating revenue rose due mainly to growth in Dash's remittance, financial products and payment services. Negative EBITDA and EBIT declined on revenue growth coupled with lower operating expenses.

BUSINESS HIGHLIGHTS

Singtel Dash launched insurance savings plan with high yield and life protection

Following the success of Dash EasyEarn, Singtel and Etiqa launched the new Dash PET (Protect, Earn, Transact) in February 2021. From a minimum sum of S\$50, customers can enjoy a digital insurance savings plan that helps them accelerate their savings, be affordably insured and earn rewards on daily spends with their Dash app. In addition to capital guarantee and competitive interest rates, Dash PET protects customers from life's uncertainties with death coverage of 105% of account value and Financial Assistance Benefit for COVID-19. Dash PET complements the Dash wallet, enabling seamless fund transfers between PET, wallet and bank account whenever there is a need to save, spend or withdraw.

MAS selected the Grab and Singtel consortium to set up Singapore's full digital bank

In December 2020, the Grab and Singtel consortium was selected by the Monetary Authority of Singapore (MAS) to set up a full digital bank in Singapore. The digital bank will focus on serving underserved consumers and small businesses by making banking more accessible and intuitive, thus enabling these groups to easily access financial services in their everyday activities. The consortium will do so by leveraging on both companies' digital expertise, deep customer knowledge, and extensive experience in meeting the daily essential needs of millions in Singapore. It is targeting to formally launch the digital bank in early 2022.

SECTION 6 : INTERNATIONAL GROUP

SuperGamerFest (SGF) 2020 delight gamers in Southeast Asia

In December 2020, Singtel and Globe presented SuperGamerFest (SGF) 2020, a virtual festival that aims to engage and bring together the growing pool of gamers and esports enthusiasts across Southeast Asia. This event which featured Esports awards, popular streamers and influencer engagement as well as tournaments across two weekends won support from Infocomm Media Development Authority (IMDA) to be part of its International Media Festival 2020.

SECTION 7: ASSOCIATES / JOINT VENTURES

ASSOCIATES/ JOINT VENTURES

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

Pre-tax profit contribution ⁽¹⁾	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Regional associates						
Telkomsel ⁽²⁾						
- operating results	448	594	-24.5	921	1,163	-20.9
- fair value gain/ (loss)	*	5	nm	(6)	6	nm
	448	599	-25.2	915	1,169	-21.7
AIS						
- operating results	167	173	-3.4	329	367	-10.4
- fair value gain/ (loss)	2	(4)	nm	5	(2)	nm
	168	168	0.1	334	365	-8.5
Intouch ⁽²⁾⁽³⁾						
- operating results	59	58	2.1	123	128	-4.0
- fair value gain/ (loss)	*	2	nm	(1)	1	nm
- amortisation of acquired intangibles	(14)	(14)	-2.1	(28)	(28)	-0.7
	45	46	-1.3	94	101	-7.4
Globe ⁽²⁾						
- operating results	167	208	-20.0	347	409	-15.1
- fair value (loss)/ gain	(2)	1	nm	(1)	1	nm
	164	209	-21.2	346	410	-15.6
Bharti Telecom ("BTL")/ Bharti Airtel ("Airtel") Airtel ⁽²⁾						
- operating results (India and South Asia) ⁽⁴⁾	324	123	163.7	530	167	217.4
- operating results (Africa) ⁽⁵⁾	217	188	15.1	395	363	8.8
- associates	(16)	(5)	231.9	(25)	(14)	76.1
- net finance costs	(420)	(364)	15.4	(822)	(793)	3.6
- fair value loss	(51)	(37)	37.8	(37)	(63)	-40.3
	54	(95)	nm	41	(340)	nm
BTL ⁽⁴⁾	*	(34)	nm	(18)	(63)	-72.4
	54	(129)	nm	23	(403)	nm
	880	893	-1.5	1,712	1,642	4.3
Other Singtel associates						
NetLink NBN Trust/ NetLink Trust ("NLT") ⁽⁶⁾	28	25	15.5	57	52	10.0
Other associates ⁽⁷⁾	5	24	-78.9	29	49	-40.2
Singtel share of pre-tax profit ⁽²⁾	913	941	-3.0	1,798	1,743	3.2
Optus share of pre-tax profit	*	*	nm	*	*	nm
Group share of pre-tax profit ⁽²⁾	913	941	-3.0	1,798	1,743	3.2
Group share of tax expense ⁽²⁾	257	250	2.8	521	466	11.8
Effective tax rate	28.1%	26.5%		29.0%	26.7%	

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution ⁽¹⁾	Second Half				YOY Chge %	Year				YOY Chge %
	31 Mar					31 Mar				
	2021		2020			2021		2020		
	S\$ m	% ⁽⁸⁾	S\$ m	% ⁽⁸⁾		S\$ m	% ⁽⁸⁾	S\$ m	% ⁽⁸⁾	
Regional associates										
Telkomsel ⁽²⁾	345	39	463	40	-25.5	708	41	885	36	-20.0
AIS	142	16	142	12	0.1	280	16	305	12	-8.1
Intouch ⁽²⁾⁽³⁾										
- ordinary results	49		49		-0.4	101		105		-3.8
- amortisation of acquired intangibles	(11)		(11)		-2.6	(22)		(23)		-0.9
	38	4	38	3	0.3	79	5	83	3	-4.6
Globe ⁽²⁾	113	13	142	12	-20.6	235	14	278	11	-15.4
Airtel ⁽²⁾										
- ordinary results (India and South Asia) ⁽⁴⁾	(36)		(121)		-70.2	(117)		(350)		-66.7
- ordinary results (Africa) ⁽⁵⁾	44		26		67.7	72		68		5.4
- associates	(16)		(5)		231.9	(25)		(14)		76.1
	(8)		(100)		-92.4	(70)		(296)		-76.4
BTL ⁽⁴⁾	(1)		(34)		-96.5	(28)		(63)		-55.4
	(9)	(1)	(134)	(12)	-93.4	(98)	(6)	(359)	(15)	-72.7
	629	70	651	57	-3.4	1,204	69	1,191	48	1.1
Other Singtel associates										
NLT ⁽⁶⁾	26	3	23	2	14.4	53	3	48	2	9.1
Other associates ⁽⁷⁾	3	**	19	2	-82.1	24	1	39	2	-38.7
	659	74	693	61	-5.0	1,281	74	1,278	52	0.2
Singtel share of post-tax profit ⁽²⁾										
Optus share of post-tax profit	(3)	**	(2)	**	61.1	(4)	**	(2)	**	111.1
Group share of post-tax profit ⁽²⁾	656	73	691	60	-5.1	1,277	74	1,277	52	**

Post-tax profit contribution (in constant currency) ⁽⁹⁾	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021	2020		2021	2020	
	S\$ m	S\$ m		S\$ m	S\$ m	
Regional associates						
- operating results	965	941	2.5	1,796	1,727	4.0
- fair value losses	(54)	(34)	58.4	(42)	(57)	-25.8
- amortisation of acquired intangibles	(14)	(14)	**	(28)	(28)	**
	897	893	0.5	1,726	1,642	5.1
Other associates	33	48	-31.1	86	101	-14.5
	930	941	-1.2	1,812	1,743	4.0
Group share of tax expense	(262)	(250)	5.0	(528)	(466)	13.4
Group share of post-tax profit	668	691	-3.4	1,283	1,277	0.5

"nm" denotes not meaningful, "**" denotes less than +/- S\$0.5 million and "****" denotes less than +/- 0.05%.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Notes:

- (1) The accounts of the associates are prepared based on local accounting standards. Where applicable and material, the accounting policies of the associates have been restated for compliance with the Group's accounting policies.
- (2) Share of results excluded the Group's share of the associates' one-off items which have been classified as exceptional items of the Group.
- (3) Singtel holds an equity interest of 21.1% in Intouch which has an equity interest of 40.5% in AIS.
- (4) In May 2020, Bharti Telecom Limited ("**BTL**") completed the sale of 2.75% stake in Airtel. In March 2021, Airtel issued shares as partial consideration for the upstake in Bharti Telemedia Limited. Following these transactions, Singtel's effective equity interest in Airtel was reduced to 31.7% (31 March 2020: 33.3%).
- (5) As at 31 March 2021, Airtel's equity interest in Airtel Africa was 56.0% (31 March 2020: 56.0%).
- (6) Singtel holds an equity interest of 24.8% in NetLink NBN Trust, the holding company of NetLink Trust. The share of results included Singtel's amortisation of deferred gain of S\$10 million (H2 FY2020: S\$10 million) for the second half year and S\$21 million (FY2020: S\$21 million) for the year ended 31 March 2021 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) Included the share of results of Singapore Post Limited and APT Satellite International Company Limited.
- (8) Shows the post-tax underlying profit contribution of the associates to the Group's underlying net profit.
- (9) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding second half year and year ended 31 March 2020.

FINANCIAL PERFORMANCE AND BUSINESS HIGHLIGHTS

Pre-tax and post-tax contributions from the associates were down 3.0% and 5.1% respectively. If the regional currencies had remained stable from the last corresponding half year, the associates' pre-tax and post-tax profit contributions would have declined 1.2% and 3.4% respectively mainly from Telkomsel and Globe due to COVID-19. This was partly mitigated by improved operational performance from Airtel.

Airtel Group reported double-digit growth in operating revenue and EBITDA, boosted by strong performances across India and Africa. Both Telkomsel and AIS registered lower operating revenue and EBITDA as a result of lower mobile top-ups and weaker demand due to the pandemic. AIS' post-tax profit grew in constant currency terms as lower EBITDA and higher amortisation charges were mitigated by lower finance costs and foreign exchange gains. Globe's service revenue was stable with its broadband growth offset by decline in mobile, while earnings fell on higher network costs, depreciation and finance charges.

The Group's combined mobile customer base reached 744 million as at 31 March 2021, up 3.8% from 30 September 2020 mainly from Airtel, AIS and Globe.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

PT Telekomunikasi Selular (“Telkomsel”)

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 165 million of mobile customers as at 31 March 2021.

Operating revenue was down 4% on continued intense data competition aggravated by slower than expected recovery from the pandemic. Mobile service revenue was lower from the accelerated declines in legacy voice and SMS services partially mitigated by growth in data and digital services.

Telkomsel is fully committed to support the Ministry of Education and Culture's initiative in providing subsidised data plans for distance learning during the pandemic. As such, it offers Merdeka Belajar Jarak Jauh (Freedom in Distance Learning) plans which provide 20GB to 50GB (September 2020 to January 2021) and 7GB to 15GB (March 2021 to May 2021) for students and educators across Indonesia.

EBITDA declined 11%⁶ on lower operating revenue, as well as higher operating expenses to support digital services growth.

Including higher depreciation charges and equity losses from its fintech associate, Telkomsel's post-tax profit contribution declined 23% in Indonesian Rupiah terms. In Singapore Dollar terms, Telkomsel's post-tax contribution for the second half year declined 26% as the Indonesian Rupiah depreciated 3%.

Telkomsel's mobile customer base grew marginally by 1.3% from a year ago as it focused on acquiring high quality customers.

In February 2021, Telkomsel completed the sale of 6,050 telecommunication towers to PT Dayamitra Telekomunikasi (“**Mitratel**”) for IDR10.3 trillion (~S\$950 million). Singtel's share of this gain was recognised in the exceptional items of the Group (see page 10).

In November 2020, Telkomsel entered into an agreement to invest US\$150 million in PT Aplikasi Karya Anak Bangsa (“**Gojek**”). In May 2021, Telkomsel invested an additional US\$300 million in Gojek.

PT Fintek Karya Nusantara (“**Finarya**”) has secured investment from Grab Holdings Inc. and PT Aplikasi Karya Anak Bangsa (“**Gojek**”) in November 2020 and March 2021 respectively, as part of its Series B funding. This has brought the capital raised in Series B to exceed US\$100 million. Consequently, Telkomsel's equity stake in Finarya was diluted from 26.6% to 24.3%.

⁶ After adoption of SFRS(I) 16, Leases.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Advanced Info Service (“AIS”)

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

AIS' service revenue (excluding interconnect and equipment rental) declined 5% as the mobile market was affected by the slump in the traveller segment, a sluggish economy and weak consumer spending amid the resurgence of COVID-19 outbreak.

Despite the difficult business conditions, AIS' mobile customer base grew 3.9% from a year ago due to strong customer acquisition helped by government stimulus campaigns. ARPU, however, continued to decline with intense data price competition from fixed-speed unlimited mobile plans in the market.

EBITDA declined 1%⁷ as the weak operating revenue was partly compensated by cost controls.

AIS' net profit improved 2% in Thai Baht terms after including lower finance costs and foreign exchange gains as compared to losses in the last corresponding half year, partly offset by higher spectrum amortisation. AIS' post-tax contribution for the second half year was stable in Singapore Dollar terms.

AIS continued to expand its fibre coverage to meet strong demand for home connectivity during the pandemic and grew its fibre customer base by 0.3 million from a year ago in a highly competitive market.

AIS won 15-year 5G spectrum licences⁸ in February 2020. It received 2600 MHz in February 2020 and the 26 GHz and 700 MHz spectrum licences in February and March 2021 respectively. As at 31 March 2021, AIS had 0.7 million of 5G mobile customers.

Intouch Holdings (“Intouch”)

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

Intouch's net profit contribution for the second half year was flat, with stable contribution from AIS.

⁷ After adoption of SFRS(I) 16, *Leases*.

⁸ Comprised 700 MHz (2x5MHz), 2600 MHz (100 MHz) and 26 GHz (1200 MHz).

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Globe Telecom, Inc (“Globe”)

Globe is listed on the Philippine Stock Exchange.

Service revenue was stable, as COVID-19 related quarantine restrictions reduced prepaid mobile top-ups and demand for enterprise services. This was partly compensated by higher take-up of Globe’s Home Broadband product as Filipinos stayed home and shifted to online activities. EBITDA declined 8% with increased network and regulatory charges from network roll-out.

Including higher depreciation and finance charges which were partly mitigated by lower equity losses from its associates, Globe’s post-tax profit declined 23% in Philippine Peso terms. In Singapore Dollar terms, its post-tax profit contribution for the second half year fell 21% as the Philippine Peso appreciated 2%.

Globe’s mobile customer base declined 11% from a year ago due to competition and weak consumer spending amid the COVID-19 outbreak. However, mobile customer base grew 2% from September 2020 mainly from the relaxation of COVID-19 quarantine restrictions. Home Broadband customer base grew a strong 81% from a year ago and was up 18% compared to September 2020 bolstered by the surge in demand for home connectivity.

Globe is accelerating its network upgrades to improve connectivity and mobile experience for its customers. It has rolled out 5G mobile services in Metro Manila and key cities in Visayas and Mindanao.

Airtel Group⁹

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

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

Airtel has weathered the COVID-19 crisis well, delivering strong growth in operating revenue and EBITDA in the second half year.

Operating revenue was up 17%¹⁰ despite negative impact from the removal of Interconnection Usage Charges with effect from 1 January 2021.

Mobile service revenue in India grew 20% led by robust 4G additions and tariff hike in December 2019. Airtel continued to gain customer market share with its 4G customer base increasing by 32% from a year ago. Data usage per customer rose 13% year-on-year in the March quarter, driving 7.3%¹¹ increase in quarterly ARPU to Rs.145.

Airtel’s total mobile customer base in India grew 13% from a year ago while its churn rate has remained low.

EBITDA rose 36%¹⁰ on higher operating revenue partially offset by increased network charges from higher investments in networks.

⁹ Airtel’s results as equity accounted by Singtel are based on IFRS.

¹⁰ Excluding Bharti Infratel Limited after the merger with Indus Towers Limited in November 2020.

¹¹ On an underlying basis, adjusted for the reduction in Interconnection Usage Charges.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Including higher depreciation and amortisation charges, the Group's share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia amounted to S\$324 million, up significantly from S\$123 million in the last corresponding half year.

Africa

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

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

Airtel Africa continued to report strong growth momentum. In reported US Dollar terms, underlying¹³ operating revenue and EBITDA grew 16% and 23% respectively. In constant US Dollar terms, Africa's underlying¹³ operating revenue grew 22% and underlying EBITDA was up 30% with broad-based growth across voice, data and Airtel Money. After including higher depreciation and amortisation charges from increased investments in mobile network and spectrum in Nigeria and 4% depreciation of the Indian Rupee, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) grew 15% to S\$217 million.

Nigeria contributed 40% (H2 FY2020: 41%) of Airtel Africa's operating revenue in the second half year. Its revenue and EBITDA grew on the back of a higher customer base and increased data and voice usage supported by the expansion of its 4G network infrastructure.

Driven by an expanded distribution network, mobile money services contributed 11% (H2 FY2020: 9%) of Airtel Africa's revenue.

In March 2021, TPG's The Rise Fund and Mastercard agreed to invest US\$200 million and US\$100 million respectively in Airtel Money Commerce BV ("**AMC BV**"). The transactions are subject to closing conditions and regulatory approvals, and the inclusion of specified mobile money business assets and contracts into AMC BV. Airtel Africa also signed agreements to sell its telecommunications tower companies in Madagascar and Malawi to Helios Towers plc. ("**Helios**") for approximately US\$108 million, as well as entered into exclusive Memorandum of Understanding agreements to sell its tower assets in Chad and Gabon to Helios. The proposed transactions are subject to closing conditions and regulatory approvals.

Airtel Group including Bharti Telecom Ltd ("**BTL**")

Airtel Group, comprising businesses in India, Africa and Sri Lanka, reported growth in operating revenue and EBITDA of 18% and 33% respectively, while EBIT doubled.

Net finance cost increased mainly due to higher regulatory liabilities, as well as higher fair value losses. After including higher tax expense, the Group's share of post-tax loss was S\$8 million, down significantly from S\$100 million in the last corresponding half year.

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

¹³ Excluded one-time revenue of US\$20 million relating to a settlement in Niger.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Including the share of BTL's net loss of S\$1 million, the Group's share of post-tax loss of Airtel Group including BTL amounted to S\$9 million (H2 FY2020: S\$134 million).

Airtel recorded some exceptional items for the second half year which have been classified as exceptional items of the Group. The exceptional items comprised mainly a gain on deemed disposal of Bharti Infratel Limited (**BIL**), a 53.5%-owned subsidiary of Airtel. In November 2020, BIL completed its merger with Indus Towers and the combined company was renamed Indus Towers Limited (**Indus**) and Airtel owns 36.7%¹⁴ of Indus after the merger. The gain was partially offset by exceptional charges due mainly to a reassessment of the carrying amounts of deferred tax balances, asset impairments and other provisions (see page 10).

¹⁴ In December 2020, Airtel acquired additional equity stake of 5% in Indus, taking its effective shareholding in Indus to 41.7%.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Airtel ⁽¹⁾	Telkomsel	AIS	Intouch	Globe
Singtel's investment:					
Year of initial investment	2000	2001	1999	2016	1993
Effective economic interest (%)	31.7%	35.0%	23.3% ⁽²⁾	21.1%	47.0% ⁽³⁾
Investment to date	S\$5.07 bil ⁽⁴⁾	S\$1.93 bil	S\$1.20 bil	S\$1.59 bil	S\$1.02 bil
Closing market share price ⁽⁵⁾	INR 517	NA	THB 174 ⁽⁶⁾	THB 58 ⁽⁶⁾	PHP 1,880
Market capitalisation					
- Total	S\$52.14 bil	NA	S\$22.16 bil	S\$7.99 bil	S\$6.94 bil
- Singtel holding	S\$16.54 bil	NA	S\$5.17 bil	S\$1.68 bil	S\$3.26 bil
Operational Performance :					
Mobile customer market share, 31 Mar 2021 ⁽⁷⁾	29.8%	58.7%	46.0%	NM	52.6%
Market position ⁽⁸⁾	#2	#1	#1	NM	#1
Mobile customers ('000)					
- Aggregate	442,432	164,692	42,767	NM	79,766
- Proportionate	130,395	57,642	9,973	3,647	37,450
Growth in mobile customers (%) ⁽⁹⁾	11%	1.3%	3.9%	NM	-11%
Credit ratings					
- Sovereign (Moody's/ S&P Global)	Baa3/BBB-	Baa2/BBB	Baa1/BBB+	Baa1/BBB+	Baa2/BBB+
- Company (Moody's/ S&P Global)	Ba1/BBB-	Baa1/NA	NA/BBB+	NA	NA

Notes:

- (1) The mobile customer market share and market position pertain to India market only.
(2) Based on direct equity interest only.
(3) Singtel has 21.5% interest in Globe's voting shares.
(4) Excludes Singtel's direct equity investment of 5.5% in Airtel Africa which is accounted as a 'Fair Value through Other Comprehensive Income' investment in the Group's statement of financial position.
(5) Based on closing market price in local currency as of 31 March 2021.
(6) Based on local market price quoted on the Stock Exchange of Thailand.
(7) Based on actual data or latest data available as of 31 March 2021.
(8) Based on number of mobile customers and based on actual data or latest data available as of 31 March 2021.
(9) Compared against 31 March 2020 and based on aggregate number of mobile customers.

"NA" denotes not applicable.

"NM" denotes not meaningful.

Please refer to **Appendix 7** for the currency rate movements of the regional associates.

SECTION 8 : PRODUCT INFORMATION

SINGAPORE PRODUCT DRIVERS

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021	2020		2021	2020	
Mobile						
Mobile revenue (S\$'M) ⁽¹⁾	980	1,112	-11.9	1,859	2,306	-19.4
Mobile service revenue (S\$'M) ⁽²⁾	552	706	-21.8	1,123	1,473	-23.8
Mobile customers (000s)						
Prepaid	1,346	1,578	-14.7	1,346	1,578	-14.7
Postpaid	2,782	2,704	2.9	2,782	2,704	2.9
Total	4,128	4,282	-3.6	4,128	4,282	-3.6
Average revenue per customer per month ⁽³⁾⁽⁴⁾ (S\$ per month)						
Prepaid	13	15	-10.1	13	16	-18.6
Postpaid	28	36	-22.7	29	38	-24.6
Blended	23	28	-18.5	23	30	-22.0
Data usage (GB per month) ⁽⁵⁾	7	6	19.0	6	5	17.0
Postpaid external churn per month ⁽⁶⁾	1.0%	0.9%		0.9%	0.9%	
Mobile customer market share ⁽⁷⁾	51.0%	50.4%		51.0%	50.4%	

Notes:

- (1) Comprised mobile service revenue, sales of mobile equipment and handset leasing.
- (2) This is determined net of bill rebates and prepaid sales discount, and includes mobile revenue earned from international telephone calls and broadband bundles.
- (3) Based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.
- (4) Included revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
- (5) Data usage of postpaid smartphone customers from both Consumer and Enterprise segments.
- (6) Calculated by expressing the number of postpaid subscribers who deactivate or disconnect their service (both voluntary and the Company's initiated churn) as a percentage of average number of subscribers.
- (7) The mobile customer market share data as at 31 March 2021 was based on Telco operators' latest published results.

SECTION 8 : PRODUCT INFORMATION

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021	2020	2021	2020		
Fixed Broadband						
Fixed broadband revenue (S\$'M) ⁽¹⁾	237	234	1.4	473	472	0.2
Fixed broadband lines (000s)	651	642	1.4	651	642	1.4
Fixed broadband market share ⁽²⁾	42.8%	42.8%		42.8%	42.8%	
Pay TV						
Singtel TV revenue (S\$'M)	102	110	-7.7	205	218	-6.1
Average revenue per residential TV customer per month (S\$ per month)	40	42	-2.7	41	42	-1.9
Residential TV customers (000s)	375	382	-2.0	375	382	-2.0
OTT (CAST/ TV Go) customers (000s)	191	215	-11.2	191	215	-11.2
Singapore Consumer Fixed						
Singapore Consumer Fixed revenue (S\$'M) ⁽³⁾	275	283	-3.0	552	564	-2.1
Households on triple/ quad play services (000s) ⁽⁴⁾	530	518	2.3	530	518	2.3

Notes:

- (1) Comprised broadband service revenue and sales of equipment.
- (2) The market share data as at 31 March 2021 was based on IMDA's latest available published statistics as of 31 January 2021.
- (3) Comprised fixed broadband, fixed voice, Singtel TV and broadband, and SmartHome equipment in the residential segment only and does not include mobile.
- (4) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, fixed voice, Singtel TV and mobile.

SECTION 8 : PRODUCT INFORMATION

AUSTRALIA PRODUCT DRIVERS

	Second Half		YOY Chge	Year		YOY Chge
	31 Mar			31 Mar		
	2021	2020	%	2021	2020	%
Mobile						
Optus' mobile revenue (A\$M) ⁽¹⁾	2,863	2,860	0.1	5,390	5,687	-5.2
Optus' mobile service revenue (A\$M)	1,845	1,815	1.7	3,602	3,614	-0.3
Optus' mobile outgoing service revenue (A\$M)	1,736	1,697	2.3	3,363	3,385	-0.7
Mobile customers (000s)						
Prepaid	2,967	3,381	-12.2	2,967	3,381	-12.2
Postpaid	5,766	5,824	-1.0	5,766	5,824	-1.0
Mobile Broadband ⁽²⁾	1,241	1,243	-0.2	1,241	1,243	-0.2
Total	9,974	10,448	-4.5	9,974	10,448	-4.5
ARPU per month (A\$)⁽³⁾						
Prepaid	19	18	6.2	19	18	2.1
Postpaid	39	37	4.2	37	37	-0.2
Mobile Broadband ⁽²⁾	21	20	8.1	21	19	8.7
Blended	31	29	6.2	30	29	1.9
Data usage (GB per month)	11	10	15.1	11	10	2.8
Mobile customer market share⁽⁴⁾	31.4%	32.0%		31.4%	32.0%	
Retail postpaid churn rate per month⁽⁵⁾	1.5%	1.4%		1.5%	1.4%	

Notes:

- (1) Comprised mobile service revenue (both outgoing and incoming), sales of equipment and handset leasing.
- (2) Defined as data-only SIMs and include customers on both prepaid and postpaid plans. Postpaid plans incur a monthly subscription fee.
- (3) Based on average number of customers, calculated as the simple average of opening and closing number of customers.
- (4) Based on latest available market share as at December or June.
- (5) Churn calculation excludes customers transferring from postpaid to prepaid.

SECTION 8 : PRODUCT INFORMATION

Australia	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021	2020		2021	2020	
Fixed Services						
Retail Fixed ARPU (A\$) ⁽¹⁾	76	75	0.3	76	75	1.2
Standalone Telephony Customers (000s)	40	55	-27.1	40	55	-27.1
Broadband customers (000s)						
On-net bundle and standalone broadband	37	228	-83.8	37	228	-83.8
Hybrid fibre coaxial (HFC)	18	135	-86.5	18	135	-86.5
ULL	19	94	-79.9	19	94	-79.9
Off-net bundle and standalone broadband	1,033	858	20.4	1,033	858	20.4
NBN	1,029	848	21.4	1,029	848	21.4
Resale digital subscriber line (RDSL)	4	10	-58.0	4	10	-58.0
Total Broadband	1,070	1,087	-1.5	1,070	1,087	-1.5
Total Fixed Customers (000s)	1,111	1,142	-2.7	1,111	1,142	-2.7
Optus Sport customers (000s)	870	821	6.0	870	821	6.0

Note:

(1) Excluded NBN migration revenue.

GROUP ENTERPRISE DRIVERS

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021	2020		2021	2020	
VPN and leased line connections (000s) ⁽¹⁾	99	103	-3.6	99	103	-3.6
Singapore	73	74	-0.8	73	74	-0.8
Australia	26	29	-10.5	26	29	-10.5
NCS bookings (S\$M)	1,321	1,156	14.3	2,077	2,310	-10.1

Note:

(1) VPN and leased line connections are business grade network connections including IP VPN, domestic and international leased circuits, and ISDN services.

SECTION 9: GLOSSARY

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

GROUP OPERATING REVENUE

By Products and Services	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m	2021 S\$ m	2020 S\$ m		
Mobile service (includes international call revenue)	2,407	2,379	1.2	4,658	4,855	-4.1
Sale of equipment	1,395	1,271	9.7	2,361	2,568	-8.1
Leasing revenue ⁽¹⁾	57	97	-40.7	134	200	-33.2
Mobile	3,859	3,747	3.0	7,152	7,622	-6.2
Infocomm Technology (ICT)	1,737	1,640	5.9	3,259	3,052	6.8
Data and Internet (includes NBN migration revenues)	1,689	1,809	-6.6	3,405	3,612	-5.7
Digital businesses ⁽²⁾	516	565	-8.8	938	1,169	-19.8
Fixed voice	248	329	-24.4	547	705	-22.5
Pay television	142	155	-8.4	286	314	-8.9
Others	28	33	-15.0	58	68	-15.4
Total	8,219	8,278	-0.7	15,644	16,542	-5.4

Operating Revenue Mix	Second Half		Year	
	31 Mar		31 Mar	
	2021 %	2020 %	2021 %	2020 %
Mobile service	29.3	28.7	29.8	29.3
Sale of equipment	17.0	15.4	15.1	15.5
Leasing revenue ⁽¹⁾	0.7	1.2	0.8	1.2
Mobile	47.0	45.3	45.7	46.1
Infocomm Technology (ICT)	21.1	19.8	20.8	18.5
Data and Internet (includes NBN migration revenues)	20.5	21.9	21.8	21.8
Digital businesses ⁽²⁾	6.3	6.8	6.0	7.1
Fixed voice	3.0	4.0	3.5	4.3
Pay television	1.7	1.9	1.8	1.9
Others	0.4	0.3	0.4	0.3
Total	100.0	100.0	100.0	100.0

Notes:

(1) Comprised revenue from lease of handsets to mobile customers under 2-year contracts. Handset leasing plans in Australia are no longer offered from July 2019.

(2) Included revenue mainly from Amobee.

GROUP OPERATING EXPENSES

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Cost of sales ⁽¹⁾	2,961	2,922	1.3	5,322	5,654	-5.9
Staff costs	1,297	1,149	12.8	2,466	2,426	1.7
Selling & administrative	1,022	1,066	-4.1	2,014	2,087	-3.5
Traffic expenses	843	804	4.9	1,679	1,593	5.4
Repair & maintenance	222	198	12.0	437	390	12.0
Others	15	22	-33.5	35	29	20.8
Total	6,360	6,162	3.2	11,954	12,180	-1.9
Direct costs ⁽²⁾	4,231	4,080	3.7	7,780	7,949	-2.1
Indirect costs ⁽²⁾	2,129	2,082	2.3	4,174	4,231	-1.3
Total	6,360	6,162	3.2	11,954	12,180	-1.9

As a percentage of operating revenue	Second Half		Year	
	31 Mar		31 Mar	
	2021 %	2020 %	2021 %	2020 %
Cost of sales ⁽¹⁾	36.0	35.3	34.0	34.2
Staff costs	15.8	13.9	15.8	14.7
Selling & administrative	12.4	12.9	12.9	12.6
Traffic expenses	10.3	9.7	10.7	9.6
Repair & maintenance	2.7	2.4	2.8	2.4
Others	0.2	0.3	0.2	0.2
Total	77.4	74.5	76.4	73.7
Direct costs ⁽²⁾	51.5	49.3	49.7	48.1
Indirect costs ⁽²⁾	25.9	25.2	26.7	25.6
Total	77.4	74.5	76.4	73.7

Notes:

- (1) Cost of sales included cost of goods sold and service costs such as costs of content and programming.
- (2) Direct costs comprised mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

GROUP STAFF COSTS

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$m		2021 S\$ m	2020 S\$m	
Staff costs						
Optus	447	368	21.5	891	802	11.2
Singtel and other subsidiaries ⁽¹⁾	850	782	8.7	1,576	1,625	-3.0
Group	1,297	1,149	12.8	2,466	2,426	1.7

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar	31 Mar		31 Mar	31 Mar	
	2021	2020		2021	2020	
Average number of staff						
Optus	7,011	7,028	-0.2	7,038	7,101	-0.9
Singtel and other subsidiaries	15,857	15,859	**	15,854	15,979	-0.8
Group ⁽²⁾	22,868	22,887	-0.1	22,892	23,080	-0.8
Headcount as at end of period						
Optus	7,045	6,990	0.8	7,045	6,990	0.8
Singtel and other subsidiaries	15,869	15,702	1.1	15,869	15,702	1.1
Group ⁽²⁾	22,914	22,692	1.0	22,914	22,692	1.0

*** denotes less than +/- 0.05%.

Notes:

- (1) Included Jobs Support Scheme credits from the Singapore government of S\$14 million for the second half year and S\$107 million for the year ended 31 March 2021 (H2 FY2020 and FY2020: S\$50 million).
- (2) Headcount for staff deployed in capital projects are included in the table above, though the related staff costs are capitalised as part of the cost of property, plant and equipment.

BUSINESS SEGMENT RESULTS

	Second Half		YOY		Year		YOY	
	31 Mar		Chge %	Chge in cc ⁽¹⁾ %	31 Mar		Chge %	Chge in cc ⁽¹⁾ %
	2021 S\$ m	2020 S\$ m			2021 S\$ m	2020 S\$ m		
Operating revenue								
Singapore Consumer	944	1,030	-8.3	-8.3	1,816	2,110	-14.0	-14.0
Australia Consumer	3,682	3,593	2.5	-6.1	6,957	7,251	-4.1	-8.6
Group Enterprise	3,082	3,095	-0.4	-2.0	5,939	6,026	-1.4	-2.3
Group Digital Life	501	555	-9.7	-7.8	916	1,145	-20.1	-19.7
International Group	10	5	86.8	86.8	17	10	72.4	72.4
Group	8,219	8,278	-0.7	-4.8	15,644	16,542	-5.4	-7.7
<i>(exclude NBN migration revenues)</i>	<i>8,111</i>	<i>7,979</i>	<i>1.7</i>	<i>-2.5</i>	<i>15,336</i>	<i>15,975</i>	<i>-4.0</i>	<i>-6.3</i>
EBITDA								
Singapore Consumer	301	378	-20.5	-20.5	627	757	-17.3	-17.3
Australia Consumer	966	1,125	-14.2	-21.3	1,850	2,388	-22.5	-26.2
Group Enterprise	757	780	-3.0	-3.9	1,508	1,587	-5.0	-5.4
Group Digital Life	1	(12)	nm	nm	(15)	(48)	-69.9	-69.7
International Group	(30)	(34)	-12.8	-12.8	(43)	(55)	-21.4	-21.4
Corporate	(66)	(41)	61.5	61.5	(95)	(87)	8.2	8.2
Group ⁽²⁾	1,928	2,196	-12.2	-16.1	3,832	4,541	-15.6	-17.7
<i>(exclude NBN migration revenues)</i>	<i>1,820</i>	<i>1,897</i>	<i>-4.0</i>	<i>-8.2</i>	<i>3,524</i>	<i>3,974</i>	<i>-11.3</i>	<i>-13.5</i>
EBIT (exclude share of associates' pre-tax profits)								
Singapore Consumer	158	248	-36.3	-36.3	353	497	-29.0	-29.0
Australia Consumer	170	394	-56.9	-60.2	292	898	-67.5	-69.2
Group Enterprise	371	402	-7.6	-7.2	760	858	-11.5	-11.0
Group Digital Life	(46)	(62)	-26.8	-24.9	(108)	(140)	-23.0	-22.7
International Group	(34)	(37)	-6.3	-6.3	(51)	(60)	-15.9	-15.9
Corporate	(68)	(43)	57.9	57.9	(100)	(92)	8.0	8.0
Group ⁽²⁾	551	901	-38.9	-40.1	1,147	1,961	-41.5	-42.2
<i>(exclude NBN migration revenues)</i>	<i>443</i>	<i>602</i>	<i>-26.5</i>	<i>-27.1</i>	<i>839</i>	<i>1,393</i>	<i>-39.8</i>	<i>-40.0</i>

Notes:

- (1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the second half and year ended 31 March 2020.
- (2) Included Jobs Support Scheme credits from the Singapore government of S\$14 million for the second half year and S\$107 million for the year ended 31 March 2021 (H2 FY2020 and FY2020: S\$50 million).

GROUP ENTERPRISE SUMMARY INCOME STATEMENTS BY REGION

AUSTRALIA ENTERPRISE

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 A\$ m	2020 A\$ m		2021 A\$ m	2020 A\$ m	
Managed Services	215	207	3.6	448	418	7.3
Cyber Security	58	53	9.6	120	101	18.8
ICT	273	260	4.8	568	519	9.5
<i>Digital revenue as % of ICT revenue</i>	<i>39%</i>	<i>40%</i>		<i>38%</i>	<i>36%</i>	
Mobile service	87	81	8.2	173	158	9.3
Sale of equipment	28	40	-28.5	61	77	-20.8
Mobile	116	120	-3.9	234	235	-0.6
Data and Internet	121	124	-2.3	237	251	-5.6
Fixed voice	86	96	-10.4	194	200	-3.0
Carriage	323	341	-5.1	665	686	-3.1
Operating revenue	596	601	-0.8	1,233	1,205	2.3
EBITDA	62	43	43.3	116	96	21.2
<i>- margin</i>	<i>10.4%</i>	<i>7.2%</i>		<i>9.4%</i>	<i>8.0%</i>	
ICT as % of total revenue	46%	43%		46%	43%	

GROUP ENTERPRISE (EXCLUDING AUSTRALIA) ⁽¹⁾

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Managed Services	830	757	9.7	1,512	1,387	9.0
Business Application Services	309	294	5.3	592	564	5.0
Cyber Security	235	261	-10.1	446	471	-5.3
Communications Engineering	89	89	-0.3	153	145	5.0
ICT	1,463	1,400	4.5	2,703	2,567	5.3
<i>Digital revenue as % of ICT revenue</i>	<i>48%</i>	<i>43%</i>		<i>45%</i>	<i>42%</i>	
Mobile service	176	242	-27.2	366	516	-29.1
Sale of equipment	150	142	5.1	258	287	-10.1
Mobile	326	384	-15.2	624	803	-22.3
Data and Internet	594	633	-6.2	1,197	1,274	-6.0
Fixed voice	75	95	-21.1	159	198	-19.8
Others	25	29	-13.3	49	57	-14.7
Carriage	1,020	1,141	-10.6	2,028	2,332	-13.0
Operating revenue	2,482	2,541	-2.3	4,731	4,899	-3.4
EBITDA	695	740	-6.1	1,394	1,496	-6.9
<i>- margin</i>	<i>28.0%</i>	<i>29.1%</i>		<i>29.5%</i>	<i>30.5%</i>	
ICT as % of total revenue	59%	55%		57%	52%	

Note:

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

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

OPTUS SUMMARY INCOME STATEMENT

For The Second Half and Financial Year Ended 31 March 2021

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 A\$ m	2020 A\$ m		2021 A\$ m	2020 A\$ m	
Operating revenue	4,255	4,497	-5.4	8,320	8,954	-7.1
Operating expenses	(3,283)	(3,287)	-0.1	(6,424)	(6,414)	0.2
Other income	48	52	-6.5	103	112	-8.1
EBITDA - margin	1,021 24.0%	1,262 28.1%	-19.1	1,998 24.0%	2,652 29.6%	-24.7
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	1,021	1,262	-19.1	1,998	2,652	-24.7
Depreciation & amortisation	(901)	(904)	-0.3	(1,809)	(1,815)	-0.3
EBIT	120	358	-66.6	189	837	-77.4
Net finance expense	(75)	(99)	-24.3	(177)	(220)	-19.6
Profit before exceptional items and tax	45	259	-82.7	12	617	-98.1
Taxation	(14)	(80)	-82.3	(4)	(186)	-97.8
Underlying net profit	31	179	-82.9	8	431	-98.2
Exceptional items (post-tax)	(212)	(12)	@	(216)	(29)	@
Net (loss)/ profit	(181)	167	nm	(208)	402	nm

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

OPTUS SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Mar	30 Sep	31 Mar
	2021	2020	2020
	A\$ m	A\$ m	A\$ m
Current assets (excluding cash)	2,972	3,014	3,613
Cash and bank balances	106	156	304
Non-current assets	15,667	15,492	15,663
Total assets	18,745	18,661	19,581
Current liabilities	4,081	3,676	5,571
Non-current liabilities	5,094	5,240	4,215
Total liabilities	9,174	8,917	9,785
Net assets	9,571	9,744	9,795
Share capital	5,317	5,317	5,317
Retained earnings and other reserves	4,254	4,428	4,479
Equity attributable to shareholders	9,571	9,744	9,795

CAPITAL MANAGEMENT

	As at		
	31 Mar	30 Sep	31 Mar
	2021	2020	2020
	A\$ m	A\$ m	A\$ m
Gross debt			
Current debt	596	382	2,052
Non-current debt	4,891	5,135	4,056
Gross debt as reported in statement of financial position	5,487	5,517	6,107
Related net hedging liability/ (asset)	56	8	(409)
Hedged gross debt	5,543	5,525	5,698
Less: Cash and bank balances	(106)	(156)	(304)
Net debt	5,437	5,369	5,394

OPTUS CASH FLOW STATEMENT

For The Second Half and Financial Year Ended 31 March 2021

	Second Half		YOY Chg %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 A\$ m	2020 A\$ m		2021 A\$ m	2020 A\$ m	
Net cash inflow from operating activities						
Profit before exceptional items and tax	45	259	-82.7	12	617	-98.1
Non-cash items	876	984	-11.0	1,883	1,994	-5.6
Operating cash flow before working capital changes	921	1,243	-25.9	1,894	2,611	-27.4
Changes in operating assets and liabilities	24	405	-94.2	206	336	-38.6
Net tax refund/ (paid)	153	7	@	153	(103)	nm
Operating cash flow	1,097	1,655	-33.7	2,254	2,844	-20.8
Net cash outflow for investing activities						
Accrued capital expenditure	(884)	(883)	0.1	(1,438)	(1,419)	1.4
Changes in creditors' balances	213	39	450.8	(57)	(29)	96.0
Cash capital expenditure	(671)	(845)	-20.5	(1,495)	(1,448)	3.3
Payment for purchase of subsidiary, net of cash required	(250)	-	nm	(250)	-	nm
Loan to STAI ⁽¹⁾	(67)	(89)	-24.7	(148)	(199)	-25.6
Repayment of loan by STAI ⁽¹⁾	-	250	nm	-	250	nm
Payment for purchase of spectrum	-	(185)	nm	(32)	(216)	-85.4
Payment for purchase of other intangibles	(26)	(45)	-41.4	(51)	(89)	-42.3
Others	(3)	9	nm	(4)	13	nm
	(1,018)	(905)	12.5	(1,980)	(1,689)	17.2
Net cash outflow for financing activities						
Net decrease in borrowings	(74)	(9)	@	(511)	(293)	74.4
Settlement of swap for bonds repaid	-	187	nm	199	187	6.3
Dividend paid to STAI ⁽¹⁾	-	(600)	nm	-	(600)	nm
Net interest paid on borrowings and swaps	(72)	(109)	-33.9	(171)	(233)	-26.6
Purchase of Singtel shares	(1)	-	nm	(4)	(6)	-30.0
Others	18	*	nm	16	(2)	nm
	(129)	(532)	-75.7	(472)	(947)	-50.2
Net change in cash and cash equivalents	(50)	218	nm	(198)	208	nm
Optus cash and cash equivalents at beginning	156	86	81.9	304	96	217.9
Optus cash and cash equivalents at end	106	304	-65.1	106	304	-65.1
Optus free cash flow	426	810	-47.4	758	1,396	-45.7
Cash capex to operating revenue	16%	19%		18%	16%	

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

Note:

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

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Mar 2021 S\$ m	30 Sep 2020 S\$ m	31 Mar 2020 S\$ m
Current assets			
Cash and cash equivalents	755	688	1,000
Trade and other receivables	5,444	5,401	5,559
Inventories	272	317	280
Derivative financial instruments	62	90	337
	6,532	6,496	7,176
Non-current assets			
Property, plant and equipment	11,534	10,917	10,364
Right-Of-Use ("ROU") assets	2,056	2,080	2,061
Intangible assets	13,129	13,789	13,736
Associates	2,056	2,070	2,074
Joint ventures	11,028	10,844	11,638
Fair value through other comprehensive income ("FVOCI") investments	651	592	515
Deferred tax assets	302	252	234
Derivative financial instruments	24	172	518
Other non-current receivables	687	662	640
	41,466	41,378	41,779
Total assets	47,998	47,873	48,955
Current liabilities			
Trade and other payables	5,977	5,129	5,641
Advance billings	808	753	733
Current tax liabilities	268	219	199
Borrowings (unsecured)	1,612	1,598	3,588
Borrowings (secured)	422	464	382
Derivative financial instruments	30	34	14
Net deferred gain ⁽¹⁾	21	21	21
	9,137	8,218	10,579
Non-current liabilities			
Borrowings (unsecured)	9,042	9,566	8,384
Borrowings (secured)	1,783	1,766	1,818
Derivative financial instruments	339	253	123
Advance billings	148	175	190
Net deferred gain ⁽¹⁾	367	370	374
Deferred tax liabilities	499	515	526
Other non-current liabilities	172	145	148
	12,350	12,789	11,562
Total liabilities	21,487	21,007	22,141
Net assets	26,511	26,867	26,814
Share capital and reserves			
Share capital	4,574	4,127	4,127
Reserves	21,912	22,712	22,662
Equity attributable to shareholders of the Company	26,486	26,839	26,789
Minority interests	26	28	25
Total equity	26,511	26,867	26,814

Note:

(1) Relates to deferred gain on transfer of certain asset to NetLink Trust.

GROUP CASH FLOW STATEMENT

For The Second Half and Financial Year Ended 31 March 2021

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar 2021 S\$ m	31 Mar 2020 S\$ m		31 Mar 2021 S\$ m	31 Mar 2020 S\$ m	
	Net cash inflow from operating activities					
Profit before exceptional items and tax	1,273	1,594	-20.1	2,550	3,422	-25.5
Non-cash items	569	577	-1.3	1,206	1,085	11.2
Operating cash flow before working capital changes	1,842	2,171	-15.1	3,756	4,507	-16.7
Changes in operating assets and liabilities	712	677	5.2	584	364	60.5
	2,554	2,848	-10.3	4,340	4,871	-10.9
Cash paid to employees under performance share plans	*	*	nm	*	(1)	nm
Net tax refund/ (payment) on operating activities	14	(123)	nm	(21)	(347)	-94.0
Operating cash flow before dividends from associates	2,568	2,724	-5.7	4,319	4,523	-4.5
Dividends/ Distributions received from associates	268	221	21.4	1,434	1,439	-0.4
Withholding tax paid on dividends received	(29)	(23)	22.7	(143)	(145)	-1.3
	2,807	2,922	-3.9	5,609	5,817	-3.6
Net cash outflow from investing activities						
<i>Accrued capital expenditure</i>	(1,435)	(1,341)	7.0	(2,138)	(2,044)	4.6
<i>Changes in creditors' balances</i>	317	208	52.5	(76)	8	nm
Cash capital expenditure	(1,118)	(1,134)	-1.4	(2,214)	(2,037)	8.7
Investment in associates	(3)	(15)	-81.3	(4)	(762)	-99.4
Proceeds/ Deferred proceeds from disposal of associates	1	3	-78.6	4	7	-49.3
Deconsolidation of subsidiary	-	(3)	nm	-	(3)	nm
Payment for purchase of spectrum	(58)	(163)	-64.5	(88)	(193)	-54.1
Payment for purchase of other intangibles	(58)	(83)	-30.2	(126)	(158)	-20.2
Payment/ Deferred payment for purchase of subsidiaries, net of cash acquired	(261)	(4)	@	(261)	(4)	@
Investment in venture investments	(3)	(12)	-76.6	(20)	(85)	-76.1
Proceeds from disposal of venture investments	8	14	-39.4	13	31	-58.4
Proceeds from disposal of property, plant and equipment	11	141	-92.5	31	146	-78.5
Withholding tax paid on interest received on intercompany loans	(7)	(8)	-10.3	(15)	(18)	-17.2
Investment income from FVOCI investments	4	93	-95.3	13	148	-91.2
Others	1	4	-71.4	2	7	-67.6
	(1,483)	(1,169)	26.9	(2,666)	(2,921)	-8.7
Net cash outflow from financing activities						
Net (decrease)/ increase in borrowings	(662)	(159)	317.4	(1,693)	726	nm
Settlement of swap for bonds repaid	-	174	nm	197	174	13.2
Net interest paid on borrowings and swaps	(183)	(237)	-22.8	(393)	(463)	-15.3
Final dividend paid to shareholders	-	-	-	(890)	(1,747)	-49.1
Interim dividend paid to shareholders	(383)	(1,110)	-65.5	(383)	(1,110)	-65.5
Purchase of performance shares	(7)	(12)	-36.5	(16)	(23)	-31.7
Others	(8)	(8)	-2.6	(13)	(14)	-5.8
	(1,244)	(1,351)	-8.0	(3,190)	(2,457)	29.9
Net increase/ (decrease) in cash and cash equivalents	81	402	-79.9	(247)	440	nm
Exchange effects on cash and cash equivalents	(13)	44	nm	(2)	37	nm
Group cash and cash equivalents at beginning of period ⁽¹⁾	673	544	23.8	990	513	93.1
Group cash and cash equivalents at end of period ⁽¹⁾	741	990	-25.2	741	990	-25.2
Group free cash flow (before associates' dividends/ distributions)	1,450	1,591	-8.9	2,104	2,487	-15.4
Dividends/ Distributions received from associates (net of withholding tax)	239	197	21.3	1,290	1,294	-0.3
Group free cash flow	1,689	1,788	-5.5	3,395	3,781	-10.2
Cash capex to operating revenue	14%	14%		14%	12%	

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

Note:

(1) Cash and cash equivalents excluded restricted cash relating to the provision of mobile money remittance and payment services in Singapore.

CURRENCY RISK MANAGEMENT AND OTHER MATTERS

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

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

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

CREDIT RATINGS

	Singtel	Optus
S&P Global Ratings	A (negative)	A- (negative)
Moody's Investors Service	A1 (stable)	A3 (stable)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	H1	H2	Year
Derived weighted average exchange rate ⁽¹⁾ for:			
Operating revenue			
<u>SGD</u>			
FY2021	0.9553	1.0060	0.9812
FY2020	0.9486	0.9218	0.9351
<i>Change (last corresponding period/ year)</i>	0.7%	9.1%	4.9%

1 United States Dollar buys:	H1	H2	Year
Derived weighted average exchange rate ⁽²⁾ for:			
Operating revenue			
<u>SGD</u>			
FY2021	1.3927	1.3446	1.3663
FY2020	1.3691	1.3743	1.3717
<i>Change (last corresponding period/ year)</i>	1.7%	-2.2%	-0.4%

Notes:

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

1 Singapore Dollar buys:	H1	H2	Year
<u>Rupiah</u>			
FY2021	10,638	10,638	10,638
FY2020	10,417	10,309	10,309
<i>Change (last corresponding period/ year)</i>	2.1%	3.2%	3.2%
<u>Indian Rupee</u>			
FY2021	54.1	54.6	54.3
FY2020	51.0	52.4	51.5
<i>Change (last corresponding period/ year)</i>	6.1%	4.2%	5.4%
<u>Baht</u>			
FY2021	22.7	22.7	22.7
FY2020	22.7	22.4	22.6
<i>Change (last corresponding period/ year)</i>	**	1.3%	0.4%
<u>Peso</u>			
FY2021	35.7	36.1	35.8
FY2020	37.9	37.0	37.5
<i>Change (last corresponding period/ year)</i>	-5.8%	-2.4%	-4.5%

“**” denotes less than +/- 0.05%.

PROFORMA INFORMATION

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

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

	Second Half		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2021 S\$ m	2020 S\$ m		2021 S\$ m	2020 S\$ m	
Group operating revenue						
Optus	4,281	4,145	3.3	8,164	8,374	-2.5
Singapore	3,188	3,320	-4.0	6,078	6,527	-6.9
Other overseas subsidiaries (incl. Amobee & Trustwave)	751	813	-7.6	1,403	1,642	-14.6
	8,219	8,278	-0.7	15,644	16,542	-5.4
Proportionate share of associates' revenue						
Regional associates	6,422	6,520	-1.5	12,628	13,041	-3.2
Singapore associates	218	226	-3.8	451	474	-4.9
Other overseas associates	14	20	-28.6	35	41	-15.6
	6,653	6,765	-1.7	13,114	13,556	-3.3
Total proportionate revenue	14,873	15,043	-1.1	28,758	30,099	-4.5
% of overseas revenue to total proportionate revenue	77%	76%		77%	77%	
Group EBITDA						
Optus	1,026	1,164	-11.8	1,961	2,482	-21.0
Singapore	1,029	1,102	-6.6	2,134	2,269	-6.0
Other overseas subsidiaries (incl. Amobee & Trustwave)	(127)	(70)	82.7	(263)	(209)	25.9
	1,928	2,196	-12.2	3,832	4,541	-15.6
Proportionate share of associates' EBITDA						
Regional associates	3,233	3,249	-0.5	6,372	6,449	-1.2
Singapore associates	54	61	-11.7	116	120	-3.4
Other overseas associates	10	15	-35.3	27	34	-22.4
	3,296	3,324	-0.8	6,514	6,603	-1.4
Total proportionate EBITDA	5,224	5,520	-5.4	10,346	11,145	-7.2
% of overseas EBITDA to total proportionate EBITDA	79%	79%		78%	79%	
Contributions to total proportionate EBITDA						
Regional associates	62%	59%		62%	58%	
Australia	20%	21%		19%	22%	
Singapore	21%	21%		22%	21%	
Others	-2%	-1%		-2%	-2%	
	100%	100%		100%	100%	

MOBILE CUSTOMER BASE

Number of mobile customers (000s)	Total Number		
	31 Mar 2021	30 Sep 2020	31 Mar 2020
Singtel	4,128	4,225	4,282
Optus	9,974	10,064	10,448
	14,102	14,289	14,730
Regional Associates			
Airtel			
- India	321,374	293,742	283,667
- Africa	118,192	116,371	110,604
- South Asia	2,866	2,865	2,929
	442,432	412,978	397,200
Telkomsel	164,692	170,117	162,567
AIS	42,767	40,942	41,156
Globe	79,766	78,167	89,320
	729,657	702,204	690,243
Group	743,759	716,493	704,973