

# Management Discussion and Analysis

## CASH FLOW

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

"nm" denotes not meaningful.

### Note:

<sup>(1)</sup> Refers to Singtel Group excluding Optus.

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

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

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

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

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

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