

News Release

New Collective Agreement for over 5,000 SingTel employees

Singapore, 12 April 2004 -- Singapore Telecommunications Limited (SingTel) has concluded a new Collective Agreement with the Union of Telecoms Employees in Singapore (UTES).

The SingTel-UTES Collective Agreement was signed by Mr Lee Hsien Yang, SingTel's President & CEO, and Mr Chua Miang Teo, General Secretary of UTES, today. It covers 76 per cent or over 5,000 bargainable employees working in SingTel and its telecommunications subsidiaries.

The new agreement ensures that SingTel's total compensation package, including employee benefits, remains competitive and relevant with current market practices. There are improvements in areas such as work allowances, flexible benefits and retirement awards.

Although key negotiators from both the SingTel management and UTES teams were new to the process, negotiations were generally cordial and constructive, concluding in an agreement in late February.

Speaking at the signing ceremony, Mr Chua said: "The new union leadership challenged itself to produce a Collective Agreement that's acceptable to as many of our members as possible, but which is still prudent enough to deal with the uncertainties ahead. I am happy to say that with the concerted effort and co-operation between SingTel's management and UTES, this agreement will be a rewarding one."

Mr Lee said that the negotiating teams from SingTel and UTES were able to expeditiously come to an agreement, thanks to "a spirit of openness and trust." He said: "The signing of a Collective Agreement is not the end of the working relationship between the Union and Management. Rather, both sides must continue to promote trust and goodwill, and have the commitment to ensure the long-term well being of employees as well as the company."

Mr Lee also noted that wages would continue to be a major cost component for SingTel in Singapore. He said: "The experience in the past years has shown how important it is for us to maintain a competitive wage structure that is flexible to withstand any sudden or prolonged downturns so that we can continue to be viable and protect jobs."

Mr Lee added: "The recommendations of the Tripartite Taskforce on Wage Restructuring are thus timely. It is the strongest signal that a flexible, competitive-based wage system should be the norm for companies in Singapore."



“SingTel similarly aims to make a greater percentage of its wages flexible and to link remuneration to individual performance and the profitability of the company. This will, ultimately, pave the way for better opportunities for our best performers.”

The new Collective Agreement is effective for three years from 1 April 2004.



About SingTel

SingTel is Asia's leading communications group with operations and investments around the world. Serving both the corporate and consumer markets, it is committed to bringing the best of global communications to customers in the Asia Pacific and beyond.

With significant operations in Singapore and Australia (through wholly-owned subsidiary SingTel Optus), the Group provides a comprehensive portfolio of services that include voice and data services over fixed, wireless and Internet platforms.

To serve the needs of multi-national corporations, SingTel has a network of 31 offices in 15 countries and territories throughout the Asia Pacific, in Europe and the USA. These offices enable SingTel to deliver reliable and quality network solutions to its customers, either on its own or jointly with local partners.

The Group also has major investments in India, Indonesia, the Philippines and Thailand. Together with its regional partners, SingTel is Asia's largest multi-market mobile operator, serving more than 44 million customers in six markets.

SingTel has been recognised Best Asian Telecom Carrier by industry publication, *Telecom Asia*, for six consecutive years since 1998. The Group employs more than 19,000 people worldwide and had a turnover of S\$10.26 billion (US\$5.80 billion) for the year ended 31 March 2003. More information can be found @ www.singtel.com and www.optus.com.au.