

View 'Asset Acquisitions and Disposals' Announcement - SG140611OTHRPEBE

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SINGAPORE TELECOMMUNICATIONS LIMITED

Securities

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Announcement Details

Announcement Sub Title

Amobee's acquisition and Incorporation of Subsidiary

Announcement Reference

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Submitted By (Co./ Ind. Name)

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Designation

Assistant Company Secretary

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Effective Date and Time of the event

Price Sensitivity

Yes

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

For Public Dissemination

589-sgx.pdf
presentation slides.pdf
NR-20140611-AdconionKontera.pdf

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SINGAPORE TELECOMMUNICATIONS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D

ANNOUNCEMENT PURSUANT TO
RULE 704 OF THE SGX LISTING MANUAL

ACQUISITION OF ADCONION MEDIA, INC., ADCONION PTY LIMITED,
KONTERA TECHNOLOGIES, INC. AND INCORPORATION OF SUBSIDIARY

Acquisition of Adconion Media, Inc. and Adconion Pty Limited

Singapore Telecommunications Limited (“SingTel”) wishes to announce that its wholly-owned subsidiary, Amobee Group Pte Ltd has entered into a conditional agreement to acquire 100% of the share capital of Adconion Media, Inc. and Adconion Pty Limited (together, “Adconion”).

Adconion is a cross channel digital advertising group with operations primarily in North America and Australia. It offers digital advertising solutions for Fortune 500 brands across five key marketing channels – display, video, mobile, email and social – on all devices from a unified technology platform.

Adconion Media, Inc. is incorporated under the laws of Delaware, USA, and Adconion Pty Limited is incorporated under the laws of New South Wales, Australia.

The enterprise value of Adconion is US\$235 million. The aggregate consideration is approximately US\$209 million excluding debt, and is subject to working capital adjustments. The valuation was arrived at on a willing buyer-willing seller basis based on, *inter alia*, an assessment of Adconion’s assets and business prospects. The consideration will be paid in cash.

The agreement also provides for up to US\$20 million in earn-out and retention benefits for the key employees of Adconion, subject to the achievement of certain key performance indicators.

The transaction is subject to the fulfillment of certain conditions precedent, including the receipt of relevant approvals.

Based on its unaudited accounts as at 31 March 2014, Adconion had net tangible liabilities of approximately US\$79 million.

Acquisition of Kontera Technologies, Inc. and incorporation of subsidiary

Amobee, Inc. (“Amobee US”), also a SingTel wholly-owned subsidiary, has entered into a conditional agreement to acquire 100% of the share capital of Kontera Technologies, Inc. (“Kontera”).

Kontera is a digital content intelligence and marketing technology company with offices in the US, UK and Israel. Its real-time digital content analysis platform analyses data across mobile, web and social networks, and enables advertisers to use its native advertising capabilities to serve the most relevant ads to consumers. The intelligence and actionable insights derived from the Kontera platform allows advertisers and agencies to make real-time decisions about their brands and marketing campaigns to achieve better returns. Kontera is incorporated under the laws of Delaware, USA.

The enterprise value and consideration for Kontera are approximately US\$150 million. The consideration is subject to working capital adjustments. The valuation was arrived at on a willing buyer-willing seller basis based on, *inter alia*, an assessment of Kontera's assets and business prospects. The consideration will be paid in cash.

The agreement also provides for up to US\$5.8 million in earn-out and retention benefits for the key employees of Kontera, subject to the achievement of certain key performance indicators.

The transaction is subject to the fulfillment of certain conditions precedent, including the receipt of relevant approvals.

Based on its unaudited accounts as at 31 March 2014, Kontera had net tangible liabilities of approximately US\$15 million.

In this connection, Amobee US has formed a wholly-owned subsidiary, KT Acquisition Sub, Inc. ("KT Sub"), a corporation incorporated under the laws of Delaware, USA for the purposes of effecting the Kontera transaction. KT Sub has an issued and paid-up capital of 0.01 US cent. The directors of KT Sub are Mr Allen Lew and Ms Jeann Low.

Issued by Singapore Telecommunications Limited on 11 June 2014.



**Amazing things
happen when we
dream big.**

Group Digital L!fe

11 June 2014

Allen Lew
CEO Group Digital L!fe

Disclaimer: This material that follows is a presentation of general background information about SingTel's activities current at the date of the presentation. The information contained in this document is intended only for use during the presentation and should not be disseminated or distributed to parties outside the presentation. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate.

Group Digital Life Focus Areas

[a·mo·bee]

Industry-leading digital marketing technology and solutions

**DIGITAL
LIFE**



Data Analytics

Innovative use of Big Data for marketing applications

- Leveraging SingTel Group's extensive customer insights, touchpoints and intelligent networks



Mobile Video Service

Video content for smartphones & feature phones across SingTel's footprint

We will focus on the areas in which we have assets that can help us win

Customer base / relationship	>500 mn mobile customers
Multiple payments mechanisms	Pre-pay, post-paid, OTT...
Rich data and analytics engine	Location, true social graph, ID
Extensive touch points with customers	Mobile, fixed, digital wallet...



[a•mo•bee]

Mark Strecker
Chief Executive Officer
[a•mo•bee]

Market since 2012

[a·mo·bee]

2012



Separate Digital Ad Channels



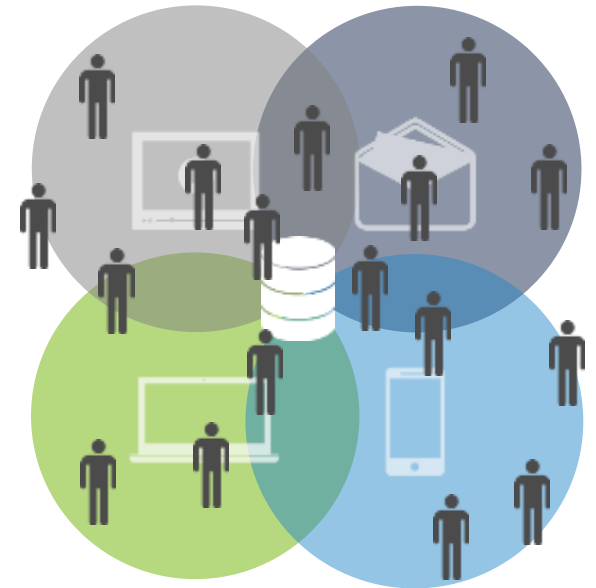
Separate Data Sets



Separate Audiences



2014



**Multi-Channel / Multi-Screen
Based upon Data Platforms**

Market Breakdown

[a·mo·bee]

- (n.) the amount of money spent on digital advertising has grown across all digital ad channels



Online
Display



eMail &
Social



Mobile



Video

US\$100 billion by 2017



Brand and Agencies want an independent partner that can buy across all channels

[a·mo·bee]

Real time | Multiple channels | Brand Advertising | Data



Adconion & Kontera acquisitions address the market needs

[a.mo.bee]

[a.mo.bee]

Cross channel
digital
advertising

The logo for Adconion Direct, featuring a blue circular icon with a stylized '@' symbol and the text 'adconion direct' in blue.

- Enterprise value: US\$235m
- Total consideration: ~US\$209m¹



Kontera

Digital content
intelligence
and marketing
technology

- Enterprise value: US\$150m
- Total consideration: ~US\$150m¹

¹ Subject to working capital adjustments

Adconion Direct North America and Adconion Australia

[a.mo.bee]

- Large-scale, cross channel digital advertising company
- Operations primarily in USA and Australia with a sales force of over 100
- Offers digital advertising solutions to Fortune 500 brands and 51 of AdAge top 100 global marketers—display, video, email, social— across all devices, on a unified platform
- Reported US\$185m in FY13 revenue



PARTNERED WITH
1,000+ ADVERTISERS
TOTAL US\$1 BILLION MEDIA SPEND



Kontera

[a·mo·bee]

- A big data advertising company
- Native and social advertising platform
- Kontera's world class real-time platform analyses and cross correlates all global digital content
- The intelligence and actionable insights derived from the Kontera platform allows advertisers and agencies to make real-time decisions about their advertising campaign
- Reported US\$26m in FY13 revenue



Customers include



Why Kontera?

[a·mo·bee]

- Real-time modular semantic Big Data marketing platform
- Superior natural language processing algorithms
- Access to 18 key patents

Big Data Analysis



450 million pages



550 terabytes of videos



3.5 terabytes of content



300 billion phrases



550 million images



1.4 billion tweets

Combined Company

[a·mo·bee]



**GLOBAL
REACH**



**MULTI-CHANNEL
MULTI-SCREEN**



**BIG DATA
ANALYTICS**



**The global
digital
marketing
technology
leader**

Digital Marketing Value Chain

[a•mo•bee]

Channels

Mobile

Video

Email

Display

Social

Native Advertising

Technology

[a•mo•bee]
Demand-Side
Platform

[a•mo•bee]
Real Time
Bidding Exchange

[a•mo•bee]
Life-Time Value

[a•mo•bee]
3D

Real-time content and social analytics

Common Big Data and Analytics Platform

 = Adconion  = Kontera  = [a•mo•bee]

[a•mo•bee] continues to differentiate itself through new and innovative technology

[a•mo•bee]

[a•mo•bee] 3D

- Cutting-edge technology
- Successful campaigns in automobile, consumer electronics & travel industry

[a•mo•bee] Life-Time Value

- Most advanced app analytics and engagement platform
- Acquire, analyse, engage and monetise app users

[a•mo•bee] Demand-Side Platform

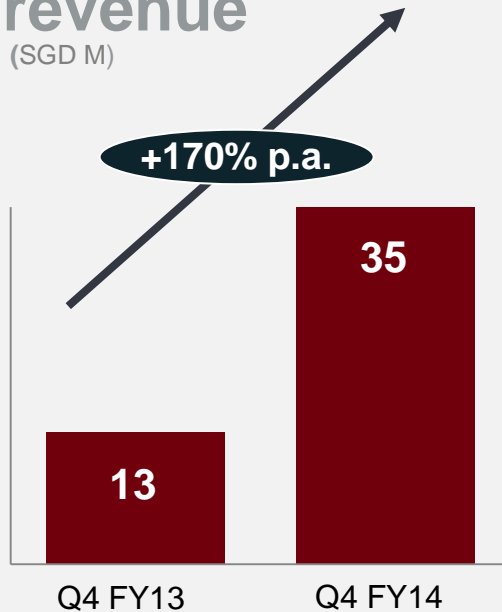
- Leading mobile programmatic platform
- Allows multi-tier contextual & behavioral targeting
- Better ROI for advertisers



[a•mo•bee] has been outgrowing the mobile advertising market

[a•mo•bee]

[a•mo•bee]
revenue
(SGD M)



Q4 FY14: Strong revenue growth of 170% outperformed industry trend

- In comparison, global mobile advertising grew 65% to 85%
- Driven by strong demand in Asia Pacific
 - Contributes more than 40% of FY2014 revenue (FY2013: ~7%)
 - Key markets: Australia, Singapore, China
- Key customers



Digital Advertising

[a·mo·bee]

Amobee's mission is to be the global leader in mobile-led digital advertising

OUTLOOK

US\$100b
global market
opportunity in FY2017

Cross channel
and multi device
marketing
solutions and
services

World
class technology
platform
incorporating big
data and real
time analytics

Global
capabilities and
resources

Thank you



News Release

Amobee Enhances Digital Marketing Technology and Solutions With Acquisition of Adconion and Kontera

SingTel owned Amobee deepens reach and capabilities of its one-stop digital advertising platform

SINGAPORE and REDWOOD CITY, California, June 11, 2014 – Amobee, the company defining digital advertising, today announced that it has signed agreements to acquire Adconion Direct North America and Adconion Australia (together, Adconion) as well as Kontera Technologies, Inc. (Kontera).

The acquisitions will strengthen Amobee's position as the leading provider of mobile-led digital marketing technology and solutions across all channels and screens for global brands. With the combined capabilities, Amobee is positioned to better capitalize on the fast growing global digital advertising market.

Adconion will be acquired at a valuation of US\$235 million. The consideration payable is approximately US\$209 million, excluding debt. The valuation and consideration payable for Kontera is approximately US\$150 million. The acquisitions are subject to certain conditions being satisfied and approvals obtained. Amobee is a wholly owned subsidiary of Singapore Telecommunications Limited (SingTel).

Adconion, a cross channel digital advertising company, offers digital advertising solutions to Fortune 500 brands across key marketing channels - display, video, email and social – on all devices from a unified technology platform. This gives advertisers and publishers a one-stop shop for all their digital advertising needs.

Kontera is a digital content intelligence and marketing technology company with offices in the US, UK and Israel. Its real-time digital content analysis platform analyzes data across mobile, web and social networks, and enables advertisers to use its native advertising capabilities to serve the most relevant ads to consumers. The intelligence and actionable insights derived from

the Kontera platform allows advertisers and agencies to make real-time decisions about their brands and marketing campaigns to achieve better returns.

Mr. Allen Lew, CEO, Group Digital Life and Chairman of Amobee, said: “The SingTel Group has significant scale and customer relationships with over 500 million mobile customers, as well as intelligent networks, billing capabilities and extensive touch points. Together with Amobee’s advanced digital marketing technology and solutions, we will create relevant and innovative marketing campaigns across multiple channels for brands and advertisers. These acquisitions will further differentiate Amobee and help solidify its position in the digital advertising market.”

“We are excited to join forces with Adconion and Kontera, two companies that have led the industry with innovative marketing solutions and cutting edge technology to achieve outstanding returns for Fortune 500 companies,” said Mr. Mark Strecker, CEO of Amobee. “Amobee offers the most advanced mobile advertising technology and solutions to large advertisers and publishers on a global scale.”

Mr. Strecker added: “The digital advertising business is about scale and capitalizing on the market opportunities with technology as a core differentiator. With these two acquisitions announced today, we have extended our product offerings, increased our sales footprint and reinforced Amobee’s leadership position in the fast growing digital advertising market.”

“We have admired Amobee’s strong mobile technology capabilities and expertise and are thrilled to combine our two companies to become the undisputed leader in the global digital marketing space,” said Ms. Kim Perell, CEO of Adconion Direct and President of Adconion Media Group. “With Amobee, we can now offer our customers a complete suite of digital marketing solutions combined in a single platform.”

“Data has become the essential ingredient to successfully reach the right customers with the right message at the right time”, said Mr. Yoav Shaham, CEO of Kontera. “Being a part of Amobee, we can more fully leverage our real-time content analysis platform across the entire digital ecosystem, enabling CMOs to measure and evaluate the success of their brand in ways never possible before.”

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About Amobee

Amobee is defining digital advertising with comprehensive technology, solutions and services for advertisers, publishers and mobile operators worldwide. Amobee technology enables its customers to run targeted, leading-edge mobile-centric ad campaigns on a global scale with unparalleled ROI. Amobee’s proprietary Amobee 3D platform empowers advertisers to create realistic, interactive 3D ads that allow mobile users to engage with products in ways never possible before. Amobee is a division of SingTel’s Digital Life Group, which is focused on creating new digital growth engines to delight customers and disrupt adjacent industries. Amobee was named “Mobile Marketing & Advertising Agency of the Year” at the 17th Annual Global Mobile Award.

About SingTel

SingTel is Asia's leading communications group providing a portfolio of services including voice and data solutions over fixed, wireless and Internet platforms as well as infocomm technology and pay TV. The Group has presence in Asia and Africa with over 500 million mobile customers in 25 countries, including Bangladesh, India, Indonesia, Pakistan, the Philippines and Thailand. It also has a network of offices throughout Asia Pacific, Europe and the United States.

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