SMRT Corporation Ltd
2Q and 1H FY2009 Financial Results

Analysts and Media Briefing
31 October 2008

Group Highlights 1HFY09

Group revenue	$443.0m	13.1%
Operating profit	$100.8m	8.9%
Profit after tax	$82.9m	7.0%
EVA	$60.7m	8.2%
Basic EPS	5.5 cents	6.9%
Dividend per share (interim)	1.75 cents	

Signing Ceremony on Acquisition of Zona

Investment Rationale

One of the leading transport operators in Shenzhen

- Top-tier city, with strongest and fastest growing economy
- Top three in fleet size in almost all business segments
- Successful track record in growing business
- Earnings expected to be accretive from first year of investment

High growth potential in all segments

- From 300 buses in 2002 to 803 buses within six years
- Secured Shenzhen's Municipal Government's approval to be appointed bus operator in growing BaoAn district

Long term partnership

- Dynamic and highly experienced management team
- Strong relationship with local, regional and national transport industry players and authorities
- Well positioned for growth beyond Shenzhen




Leveraging on SMRT's Experience

- Expertise in growing non-fare revenue
- Experience in operational efficiency in road transportation
- Corporate Governance
- Accounting & Financial Control




Financial Performance

($m)	2Q09	2Q08	% chg	1HFY09	1HFY08	% chg
Revenue	227.0	197.3	15.1	443.0	391.5	13.1
Other Op. Income	6.7	4.3	57.7	12.4	8.0	53.9
EBITDA	80.4	74.2	8.2	155.6	145.5	6.9
EBIT	52.6	48.0	9.7	100.8	92.6	8.9
PAT	42.6	39.5	7.7	82.9	77.5	7.0
Basic EPS (cents)	2.8	2.6	7.6	5.5	5.1	6.9

In 1HFY09, higher PAT was achieved due mainly to higher operating profits, partially offset by higher income tax expense




Operating Expenses Breakdown

	2Q09	2Q08	% chg	1HFY09	1HFY08	% chg
Staff & related	71.8	63.3	13.5	139.0	125.6	10.7
Depreciation net Amort.	27.7	26.3	5.6	54.8	52.9	3.6
Repairs & maintenance	16.3	15.8	3.5	31.4	29.9	4.8
Energy	29.3	22.4	31.1	59.0	44.1	33.6
• Electricity	14.1	12.5	12.9	27.8	25.0	11.2
• Diesel	15.2	9.9	54.1	31.1	19.1	62.9
Other Opex	35.9	25.9	38.6	70.3	54.3	29.5
Total Opex	181.1	153.6	17.9	354.5	306.9	15.5

Higher 1HFY09 opex due to increases in staff, energy and other operating costs




Key Financial Indicators

	2Q09	2Q08	1HFY09	1HFY08
EBITDA margin (%)	35.4	37.6	35.1	37.2
EBIT margin (%)	23.2	24.3	22.8	23.7
PAT margin (%)	18.7	20.0	18.7	19.8
Interest cover (times)	43.2	36.3	42.0	35.2
ROE (annualised %)	-	-	24.6	24.4

As at	30-Sep-08	31-Mar-08
NAV/share (cents)	44.1	44.7
NTA/share (cents)*	41.3	41.9
Net gearing	0.05	0.03

** Excludes goodwill on consolidation*

Healthy financial performance despite rising operating costs

Balance Sheet Highlights

$m as at	30-Sep-08	31-Mar-08
Total Assets	1,447.5	1,437.6
Property, Plant & Equipment	1,044.9	1,032.8
Trade & Other Receivables	68.5	60.7
Cash & Fixed Deposits	214.5	232.5
Total Borrowings (ST & LT)	250.0	250.0
Current Liabilities (less ST borrowings)	262.5	229.9
Non-current Liabilities (less LT borrowings)	267.0	280.6
Shareholders’ Equity	668.0	677.1

- CAPEX in 1HFY09: $81.9m
- Increase in total assets due mainly to higher financial assets, PPE and trade and other receivables
- Increase in total liabilities due mainly to higher trade and other payables




Cash Flow Statement

	2Q09	2Q08	1HFY09	1HFY08
Cash flow from:				
Operating activities	(20.7)	(22.1)	40.3	30.6
Investing activities	(22.6)	(30.9)	(58.7)	(74.4)
Financing activities	0.1	0.4	0.3	1.6
Free cash flow	(38.5)	(54.9)	(15.3)	(36.3)
Net (decrease)/increase in cash & cash equivalents	(43.2)	(52.6)	(18.1)	(42.2)
Cash & cash equivalents at end period	214.5	127.5	214.5	127.5

- Lower net decrease in cash and cash equivalents in 1HFY09 due mainly to higher cash inflow from operating activities and lower investing cash outflow




MRT

	2Q09	2Q08	% chg	1H09	1H08	% chg
Avg. Daily Ridership ('000)	1,435	1,270	13.0	1,401	1,251	12.0
Revenue ($m)	122.8	108.0	13.7	238.4	214.8	11.0
EBIT ($m)	37.1	33.6	10.5	72.0	65.6	9.8
EBIT margin (%)	30.2	31.1	(0.9)pts	30.2	30.5	(0.3) pts

- **Increase in revenue in 2Q09 and 1H09 due mainly to 13.0% and 12.0% growth in average daily ridership respectively**
- **Partially offset by higher staff and electricity cost**
- **Net 0.6% increase in fare adjustment after increase in fare rebate from 25 cents to 40 cents**
  - **Expect to yield additional $3m in fare revenue over a 12-mth period**




LRT

	2Q09	2Q08	% chg	1H09	1H08	% chg
Avg. Daily Ridership ('000)	45.3	41.6	8.8	44.2	40.9	8.2
Revenue ($m)	2.3	2.1	10.0	4.5	4.2	7.1
EBIT ($m)	0.2	(0.1)	295.2	0.1	(0.2)	122.6

- **Revenue and operating profit growth for 2Q09 and 1H09 due mainly to 8.8% and 8.2% increase in average daily ridership respectively**




Bus

	2Q09	2Q08	% chg	1H09	1H08	% chg
Avg. Daily Ridership ('000)	809	765	5.8	795	755	5.4
Revenue ($m)	53.5	48.6	10.1	104.4	96.9	7.7
EBIT ($m)	(0.9)	0.8	(207.5)	(4.2)	1.3	(412.9)

- **2Q09 and 1H09 revenue grew due mainly to average daily ridership growth of 5.8% and 5.4% respectively**
- **Operating loss in 2Q09 and 1H09 due mainly to higher diesel cost**




Taxi

	2Q09	2Q08	% chg	1H09	1H08	% chg
Holding fleet (as at end quarter)	2,988	3,007	(0.6)	2,988	3,007	(0.6)
Revenue ($m)	18.4	19.0	(3.2)	37.3	37.0	1.0
EBIT ($m)	(0.5)	0.2	(351.0)	(1.8)	(0.1)	n.m.

- **Lower average hired fleet for 2Q09 though higher for 1H09**
- **Operating loss increased in 2Q09 and 1H09 due mainly to diesel subsidies, higher repair and maintenance cost, depreciation and loss on disposal**




Rental of Retail Space

	2Q09	2Q08	% chg	1H09	1H08	% chg
Total Let. Space (sqm)	26,592	23,800	11.7	26,592	23,800	11.7
Avg. Occupancy Rate (%)	99.4	97.8	1.6	99.3	98.1	1.2
Revenue ($m)	14.2	9.8	44.7	28.0	19.2	45.9
EBIT ($m)	10.7	7.7	39.3	21.0	14.5	45.0
EBIT margin (%)	75.1	78.0	(2.9) pts	74.9	75.3	(0.5) pts

- **Increased rental space and yield led to 39.3% and 45.0% growth in operating profits for 2Q09 and 1H09 respectively**
- **Total lettable space at quarter end increased by 11.7% in 2Q09 to 26,592sqm as compared to 2Q08**
- **Refurbished retail spaces at 28 MRT stations contributed to rental revenue. 1 new station was completed in 2Q09 – Dover**




SMRT

Advertising

	2Q09	2Q08	% chg	1H09	1H08	% chg
Revenue ($m)	6.0	4.8	25.6	11.6	10.1	14.9
EBIT ($m)	3.7	3.1	19.9	7.4	6.3	16.3
EBIT margin (%)	61.8	64.8	(2.9) pts	63.7	62.9	0.8 pts

- **Advertising revenue increased by 25.6% and 14.9% in 2Q09 and 1H09 respectively**
- **Higher sales and operating profit due to increased advertising on trains, stations and buses**




Engineering & Other Services

	2Q09	2Q08	% chg	1H09	1H08	% chg
Revenue ($m)	9.7	4.9	97.0	18.7	9.2	101.8
EBIT ($m)	0.9	0.9	1.5	2.9	1.9	50.4

- Revenue increased by 97.0% and 101.8% in 2Q09 and 1H09 respectively due mainly to higher sale of diesel and contribution from Palm Jumeirah Project in Dubai
- Increase in operating profit in 1H FY09 due mainly to higher profit contribution from Palm Jumeirah Project and project consultancy




Business Outlook

- **Revenue in 3QFY09 as compared to 3QFY08:**
  - Fare revenue for Train and Bus is expected to be higher due mainly to ridership growth
  - Revenue from Rental is expected to be higher due mainly to better rental yield and increased space following the redevelopment of various MRT stations




Business Outlook

- Operating costs expected to be higher in 3QFY09 as compared to 3QFY08 due mainly to:
    - Higher electricity and diesel costs
    - Higher staff and related cost with increased headcount in preparation for Circle Line Stage 3 and increased train runs
- Price of diesel expected to remain volatile in 3QFY09
- With the global economic slowdown, the operating environment is expected to be difficult for the next 12 months. The outlook for Taxi is expected to remain challenging. Bus is expected to sustain operating losses for FY2009
- Revenue service for CCL Stage 3 expected to commence by mid 2009
- SMRT is expected to complete the acquisition of 49% equity interest in Zona by 4QFY09




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