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SMRT NET PROFIT GREW 6.2% TO \$40.3M FOR FIRST QUARTER FY2009

- 1QFY09 Revenue increased 11.2% to \$215.9m
- 1QFY09 Operating profit rose 8.0% to \$48.2m

GROUP PERFORMANCE HIGHLIGHTS

Financial Highlights for First Quarter FY2009 Ended 30 June 2008 ¹			
	1QFY09	1QFY08	% Change
Revenue (\$m)	215.9	194.2	11.2
Other Operating Income (\$m)	5.6	3.8	49.4
EBITDA (\$m)	75.3	71.3	5.6
Total Operating Expenses (\$m)	(173.3)	(153.3)	13.1
EBIT (\$m)	48.2	44.6	8.0
Profit Before Tax (\$m)	48.4	45.3	6.8
Profit After Tax (\$m)	40.3	37.9	6.2
Basic Earnings Per Share (cents)	2.7	2.5	6.1
Economic Value Added (\$m)	28.9	27.0	7.0
	As at 30 June 2008	As at 31 March 2008	% Change
Net Tangible Asset Per Share ² (cents)	44.6	41.9	6.4
Net Gearing	Net cash	0.03	-

Note: The Group is in a net cash position as cash and cash equivalents exceed borrowings. The cash and cash equivalents will be utilised for payment of FY08 final dividend of \$91.0 million and purchase of property, plant and equipment.

Group revenue in 1QFY09 rose 11.2% to \$215.9 million as compared to the corresponding quarter last year, driven mainly by higher train and rental revenue.

¹ All figures are quoted in Singapore dollars.

² Excludes goodwill on consolidation.

Total operating expenses in 1QFY09 increased 13.1% or \$20.0 million to \$173.3 million due mainly to increases in staff and related costs, energy costs and other operating expenses.

On account of higher revenue and other operating income partially offset by higher operating cost, the Group achieved an operating profit of \$48.2 million, 8.0% higher than 1QFY08. Net profit after tax was 6.2% higher at \$40.3 million due mainly to higher operating profits partially offset by higher income tax expenses and lower interest and investment income in 1QFY09.

SMRT's President and CEO Saw Phaik Hwa said: "SMRT has continued to grow its profits on the back of strong ridership growth and increased rental revenue. In the next 12 months, we will be faced with a higher inflationary operating cost environment with volatile energy prices. We will continue to manage costs and focus on increasing revenue."

OPERATING PERFORMANCE BY BUSINESS

S\$m	Revenue			Operating Profit		
	1QFY09	1QFY08	% Increase/ (Decrease)	1QFY09	1QFY08	% Increase/ (Decrease)
MRT	115.6	106.8	8.2	34.9	32.0	9.1
LRT	2.2	2.1	4.3	(0.1)	(0.1)	18.8
Buses	50.9	48.3	5.3	(3.3)	0.5	(737.1)
Fare Subtotal	168.7	157.2	7.3	31.5	32.4	(2.7)
Taxis	18.9	17.9	5.6	(1.3)	(0.3)	(346.8)
Rental	13.8	9.4	47.2	10.3	6.8	51.4
Advertising	5.6	5.3	5.3	3.7	3.3	12.9
Engineering & Other Services	8.9	4.3	107.3	2.0	1.0	95.6
Non-fare Subtotal	47.3	36.9	28.0	14.7	10.8	36.2
Group Elimination/ Investment Holding	-	-	-	2.0	1.5	36.3
TOTAL	215.9	194.2	11.2	48.2	44.6	8.0

MRT Operations

MRT revenue in 1QFY09 grew 8.2% or \$8.8 million to \$115.6 million on the back of higher average daily ridership. Ridership growth, partially offset by higher staff and electricity costs, led to a 9.1% increase in operating profits to \$34.9 million in 1QFY09 as compared to 1QFY08.

LRT Operations

LRT revenue in the first quarter FY09 increased 4.3% to \$2.2 million, as compared to the same quarter last year, as a result of higher average daily ridership. Operating loss in 1QFY09 was slightly lower at \$0.1 million due mainly to higher revenue, partially offset by a higher cost of electricity.

Bus Operations

Revenue from Bus operations increased 5.3% to \$50.9 million in 1QFY09. Bus, however, posted an operating loss of \$3.3 million in 1QFY09 due mainly to higher diesel costs.

Taxi Operations

Taxi rental revenue increased by \$1.0 million or 5.6% to \$18.9 million in 1QFY09, due to a higher average hired-out fleet. However, diesel subsidies and an increase in other operating expenses due to a higher average hired-out fleet led to an operating loss of \$1.3 million in the quarter.

Rental of Retail Space

With increased space and better rental yield following the redevelopment of commercial spaces at various MRT stations, 1QFY09 rental revenue rose 47.2% or \$4.4 million to \$13.8 million and operating profits also grew 51.4% or \$3.5 million to \$10.3 million.

Advertising

As a result of increased advertising on trains, MRT stations and buses during the quarter, advertising revenue in 1QFY09 grew 5.3% to \$5.6 million and operating profits also rose 12.9% to \$3.7 million.

Engineering & Other Services

Revenue from Engineering and Other Services doubled to \$8.9 million in 1QFY09. The increase in revenue was due mainly to higher sale of diesel and consultancy revenue from the Palm Jumeirah Project in Dubai. Operating profits from Engineering and Other Services almost doubled to \$2.0 million, as compared to the corresponding quarter last year.

Details of the operating metrics are stated in the Annex on page 6.

OUTLOOK AND PROSPECTS

Revenue from Train and Bus operations is expected to increase in 2QFY09 as compared to 2QFY08 due mainly to ridership growth.

Revenue from Taxis is expected to increase marginally in 2QFY09 as compared to 2QFY08 as a result of higher average hired-out fleet. Revenue from Rental is expected to be higher in 2QFY09 as compared to 2QFY08. The higher revenue is expected to be contributed mainly by better rental yield and increased space following the redevelopment of various stations. Revenue from advertising on trains, stations and buses is also expected to increase in 2QFY09, as compared to 2QFY08.

Group operating expenses for 2QFY09 are expected to be higher as compared to 2QFY08 due mainly to higher electricity and diesel costs and staff and related costs as headcount is expected to be higher with increased preparation work on Circle Line Stage 3.

The operating environment is expected to be challenging for the next 12 months as the cost of electricity and diesel is likely to remain high. If this persists, the Bus operations will continue to operate at a loss.

Revenue service for Circle Line Stage 3 is expected to commence in mid 2009.

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Enclosures:

- 1) *Unaudited Financial Statements for the First Quarter ended 30 June 2008*
- 2) *Presentation for Teleconference Briefing: 1QFY09 Financial Results*
- 3) *Speech by Lim Cheng Cheng, Executive Vice President & Chief Financial Officer, of SMRT Corporation, at Teleconference Briefing on First Quarter ended 30 June 2008*

ANNEX**OPERATING METRICS**

	1QFY09	1QFY08	4QFY08	1QFY09 vs 1QFY08 (%)	1QFY09 vs 4QFY08 (%)
<u>MRT</u>					
Total Ridership ('000)	124,311	112,101	120,689	10.9	3.0
Average Daily Ridership ('000)	1,366	1,232	1,326	10.9	3.0
Average No. of Passengers/Train Operated	453	428	453	5.8	0.0
Average Peak Period Passenger Load/Train (No. of passengers) ¹	1,278	1,240	1,276	3.1	0.2
Average Fare (cents)	93.0	94.2	93.1	(1.2)	(0.1)
<u>LRT</u>					
Total Ridership ('000)	3,926	3,654	3,973	7.5	(1.2)
Average Daily Ridership ('000)	43.1	40.2	43.7	7.5	(1.2)
Average No. of Passengers/Train Operated	23	22	23.2	5.8	(1.6)
Average Fare (cents)	55.9	57.6	56.5	(2.9)	(1.2)
<u>Buses</u>					
Total Ridership ('000)	71,149	67,765	71,406	5.0	(0.4)
Average Daily Ridership ('000)	781.9	744.7	784.7	5.0	(0.4)
Load Factor ² (%)	24.5	23.1	24.5	5.7	(0.2)
Average Fare (cents)	69.4	69.1	69.3	0.4	0.1
<u>Taxis</u>					
Holding Fleet (as of end-quarter)	2,965	3,014	3,002	(1.6)	(1.2)
<u>Rental</u>					
Total Lettable Space (sqm) ³ (as of end-quarter)	26,264	23,088	27,862	13.8	(5.7)
No. of Completed Units ³ (as of end-quarter)	511	361	519	41.6	(1.5)
Average Occupancy Rate (%) ³	99.1	98.4	97.0	0.6	2.1

¹ The peak period is measured on a half-hour basis.

² As different vehicle types have different capacities, the average occupancy rate of buses is expressed as load factor.

³ Figures relate to spaces at MRT stations only.