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Media Release

SMRT REPORTS NET PROFIT OF $52.8M FOR SECOND QUARTER FY2010

- *Increase in net profit due mainly to lower energy costs, Government Budget Measures and lower other operating expenses, partially offset by fare reduction*
- *Board of Directors declares an interim ordinary dividend of 1.75 cents per share*

GROUP PERFORMANCE HIGHLIGHTS

Financial Highlights for Second Quarter and Half Year FY2010 Ended 30 September 2009[1]						
	2QFY10	**2QFY09**	**% Change**	**1HFY10**	**1HFY09**	**% Change**
Revenue ($m)	229.4	227.0	1.1	445.3	443.0	0.5
Other Operating Income ($m)	8.5	6.7	25.9	21.6	12.4	74.9
EBITDA ($m)	91.9	80.4	14.4	178.1	155.6	14.4
Total Operating Expenses ($m)	(174.7)	(181.1)	(3.6)	(345.9)	(354.5)	(2.4)
EBIT ($m)	63.2	52.6	20.1	121.0	100.8	20.0
Profit Before Tax ($m)	61.7	51.6	19.7	118.4	100.0	18.5
Profit After Tax ($m)	52.8	42.6	24.1	101.0	82.9	21.9
Basic Earnings Per Share (cents)	3.5	2.8	24.0	6.7	5.5	21.8
Economic Value Added ($m)	40.8	31.9	27.9	76.5	60.7	25.9
	As at 30 Sep 09	**As at 31 Mar 09**	**% Change**			
Net Tangible Assets Per Share[2] (cents)	45.5	44.9	1.3			
Net Gearing	Net cash	0.01	N.A.			

Group revenue for the second quarter of FY10 (“2QFY10”) increased 1.1% to $229.4 million from a year ago due mainly to higher revenue with the operation of Circle Line Stage 3, increased rental revenue and higher revenue from overseas projects, partially offset by fare reduction. With increased revenue, higher other operating income, lower energy costs and lower other operating expenses, net profit after tax in the quarter was 24.1% higher at $52.8 million as compared to the same quarter a year ago.

[1] All figures are quoted in Singapore dollars.
[2] Excludes goodwill on consolidation.

Group revenue for the first six months ended 30 September 2009 (“1HFY10”) was up marginally at $445.3 million. Net profit after tax for 1HFY10 rose to $101.0 million, 21.9% higher on account of higher operating profits.

Saw Phaik Hwa, SMRT’s President and Chief Executive Officer, said: “We have delivered a reasonable set of results this quarter. Looking ahead, the Group’s profitability will continue to be impacted by the fare reduction package ending June 2010, lower jobs credit, volatility in diesel prices and the ramp-up costs to prepare for the progressive opening of the remaining Circle Line stations. We will continue to grow our businesses and capabilities and increase our productivity.”

The Board of Directors declared an interim ordinary dividend of 1.75 cents per share tax-exempt, one-tier for shareholders, equivalent to a dividend of $26.6 million.

OPERATING PERFORMANCE BY BUSINESS (2QFY10 AS COMPARED TO 2QFY09)

Revenue and Operating Profit by Business for Second Quarter Ended 30 September 2009

	Revenue			Operating Profit		
S$m	**2QFY10**	**2QFY09**	**% Increase / (Decrease)**	**2QFY10**	**2QFY09**	**% Increase / (Decrease)**
Train	123.3	122.8	0.4	38.7	36.1	7.0
LRT	2.2	2.3	(4.7)	0.1	0.2	(28.1)
Buses	51.0	53.5	(4.6)	1.8	(1.1)	272.4
Fare Subtotal	**176.6**	**178.7**	**(1.2)**	**40.6**	**35.3**	**15.2**
Taxis	17.9	18.4	(2.6)	0.8	(0.5)	248.4
Rental	16.1	14.2	13.1	12.7	11.5	10.8
Advertising	5.4	6.0	(9.8)	3.4	3.8	(10.8)
Engineering & Other Services	13.4	9.7	38.0	5.5	0.9	495.1
Non-fare Subtotal	**52.8**	**48.3**	**9.3**	**22.4**	**15.7**	**42.5**
Group Elimination/ Investment Holding	-	-	-	0.2	1.6	(89.1)

Train operations saw its revenue increase marginally to $123.3 million in the quarter, in spite of the fare reduction. This is due mainly to higher average daily ridership and commencement of Circle Line Stage 3. Higher revenue and higher other operating income led to a 7.0% increase in operating profits to $38.7 million.

Revenue from **Bus operations** posted a 4.6% decline to $51.0 million in 2QFY10 due mainly to lower average fare and average daily ridership. However, lower diesel costs improved the Bus operating performance, resulting in an operating profit of $1.8 million in 2QFY10 as compared to an operating loss of $1.1 million in the same quarter last year.

Taxi rental revenue declined by 2.6% to $17.9 million in 2QFY10 as compared to a year ago due to a smaller average hired-out fleet. Taxi operations, however, posted an operating profit of $0.8 million in the quarter as compared to an operating loss of $0.5 million as a result of lower other operating expenses from a smaller average holding fleet.

Rental business had another quarter of good performance with 13.1% growth in revenue to $16.1 million as a result of better yield and increased space following the redevelopment of commercial spaces at various MRT stations. Consequently, operating profits grew 10.8% to $12.7 million in 2QFY10.

The **advertising** segment, impacted by the economic downturn, saw its revenue decline 9.8% to $5.4 million. Consequently, 2QFY10 operating profits was 10.8% lower at $3.4 million.

Engineering and Other Services turned in a robust performance in 2QFY10, with revenue increasing by 38.0% to $13.4 million and operating profits growing five-fold to $5.5 million. This is due to increased contribution from consultancy and overseas projects.

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

OUTLOOK AND PROSPECTS

3QFY10 against 3QFY09

Group revenue is expected to be higher. This is due mainly to higher non fare revenue from rental and fees from overseas projects, partially offset by lower fare revenue due to the fare reduction and increased transfer rebates.

Group operating expenses are expected to be higher due mainly to more scheduled repairs and maintenance and higher staff and related costs as headcount is expected to be higher with the operation of Circle Line Stage 3, increased train runs and recruitment of bus service leaders.

Finance cost is expected to increase as a result of $150 million fixed rate notes recently issued in October 2009. Total debt will return to current levels when the existing notes of $100 million and $50 million are repaid in December 2009 and January 2010 respectively.

The first payment of RMB 240 million for 49% equity interest in Shenzhen Zona will be made by 3QFY10.

2HFY10 against 1HFY10

Group profitability in 2HFY10 is expected to be impacted by higher electricity tariff rates contracted for the next 12 months and volatility in diesel prices. Significant increase in ramp-up costs for the progressive opening of the remaining Circle Line stations and higher scheduled repairs and maintenance for Train will also add to costs. Jobs credit scheme will be at stepped down rates for six months from January to June 2010.

The six months outlook beyond FY2010 remains challenging as the profitability of the Group continues to be impacted by the fare reduction ending June 2010, higher contracted electricity costs and volatility in diesel prices.

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Enclosures :

1) Unaudited Financial Statements for the Second Quarter ended 30 September 2009
2) Presentation for Analysts and Media Briefing: 2QFY10 Financial Results
3) Speech by Saw Phaik Hwa, President and Chief Executive Officer, and Lim Cheng Cheng, Executive Vice President and Chief Financial Officer, SMRT Corporation, at Analysts and Media Briefing on Second Quarter ended 30 September 2009

ANNEX

OPERATING METRICS

	2QFY10	2QFY09	1QFY10	2Q10 vs 2Q09 (%)	2Q10 vs 1Q10 (%)	1H2010	1H2009	1H10 vs 1H09 (%)
MRT								
Total Ridership ('000)	134,984	132,038	128,016	2.2	5.4	263,000	256,348	2.6
Average Daily Ridership ('000)	1,467	1,435	1,407	2.2	4.3	1,437	1,401	2.6
Average No. of Passengers/Car Operated	69	74	70	(6.0)	(1.5)	70	76	(7.6)
Average Peak Period Passenger Load/Car (No. of passengers) [1]	173	219	196	(21.0)	(11.7)	185	216	(14.4)
Average Fare (cents)	89.3	93.0	90.3	(4.0)	(1.1)	89.8	93.0	(3.5)
LRT								
Total Ridership ('000)	4,152	4,165	3,996	(0.3)	3.9	8,148	8,091	0.7
Average Daily Ridership ('000)	45.1	45.3	43.9	(0.4)	2.7	44.5	44.2	0.7
Average No. of Passengers/Train Operated	24	24	23	(0.9)	3.5	24	24	(0.7)
Average Fare (cents)	52.6	56.4	54.7	(6.7)	(3.9)	53.7	56.1	(4.4)
Buses								
Total Ridership ('000)	73,834	74,382	70,370	(0.7)	4.9	144,204	145,545	(0.9)
Average Daily Ridership ('000)	802.5	808.5	773.3	(0.7)	3.8	788.0	795.3	(0.9)
Load Factor[2] (%)	24.8	25.1	23.8	(1.1)	4.2	24.2	24.6	(1.5)
Average Fare (cents)	64.4	69.2	66.4	(6.9)	(2.9)	65.4	69.3	(5.6)
Taxis								
Holding Fleet (as of end-period)	2,579	2,988	2,605	(13.7)	(1.0)	2,579	2,988	(13.7)
Rental								
Total Lettable Space (sqm)[3]	29,225	26,592	28,799	9.9	1.5	29,225	26,592	9.9
No. of Shops/Units as at end-period[3]	590	522	571	13.0	3.3	590	522	13.0
Average Occupancy Rate (%)[3]	99.4	99.4	98.6	(0.1)	0.8	99.0	99.3	(0.3)

[1] An average of estimated maximum half-hour pax load per car during peak hours for selected stations along NSEW lines and CCL.
[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.