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SMRT NET PROFIT GREW 7.6% TO \$41.2M FOR THIRD QUARTER FY2009

- Revenue for first nine months increased by 11.5% to \$662m
- Net profit for first nine months rose 7.2% to \$124.1m

GROUP PERFORMANCE HIGHLIGHTS

Financial Highlights for Third Quarter and Year-to-Date FY2009 Ended 31 December 2008 ¹						
	3QFY09	3QFY08	% Change	YTD FY09	YTD FY08	% Change
Revenue (\$m)	219.0	202.1	8.4	662.0	593.6	11.5
Other Operating Income (\$m)	6.2	3.7	66.7	18.6	11.8	57.9
EBITDA (\$m)	78.7	72.8	8.1	234.3	218.3	7.3
Total Operating Expenses (\$m)	(174.8)	(159.2)	9.8	(529.3)	(466.1)	13.6
Operating Profit (\$m)	50.5	46.7	8.1	151.3	139.3	8.6
Profit Before Tax (\$m)	49.7	45.8	8.5	149.6	138.3	8.2
Profit After Tax (\$m)	41.2	38.3	7.6	124.1	115.8	7.2
Basic Earnings Per Share (cents)	2.7	2.5	7.5	8.2	7.6	7.1
Economic Value Added (\$m)	29.8	27.2	9.4	90.5	83.3	8.6
	As at 31 Dec 08	As at 31 Mar 08	% Change			
Net Tangible Assets Per Share ² (cents)	42.1	41.9	0.4			
Net Gearing	0.02	0.03	(33.1)			

Group revenue for the third quarter of FY09 ("3QFY09") rose 8.4% or \$16.9 million to \$219.0 million compared to the previous corresponding quarter, driven mainly by increased train and bus ridership and higher rental and advertising revenue.

¹ All figures are quoted in Singapore dollars.

² Excludes goodwill on consolidation.

Total operating costs for 3QFY09 increased by 9.8% or \$15.6 million to \$174.8 million impacted by increases in staff and related costs, energy costs and other operating expenses. On account of higher operating profit partially offset by higher income tax expense, net profit after tax for 3QFY09 was \$41.2 million, 7.6% higher compared to 3QFY08.

For the first nine months of FY09 ("YTDFY09"), Group revenue rose 11.5% to \$662 million compared to YTDFY08. Total operating expenses for YTDFY09 was \$529.3 million, an increase of 13.6% as a result of increases in staff and related costs, energy costs and other operating expenses. Net profit after tax for YTDFY09 increased by 7.2% to \$124.1 million mainly attributed to higher operating profits, partially offset by higher income tax expense.

SMRT President and CEO Saw Phaik Hwa remarked: "SMRT has performed well in 3QFY09. However, we expect the operating environment ahead to remain uncertain. We will continue to focus on prudent cost controls and grow our revenue."

OPERATING PERFORMANCE BY BUSINESS

S\$m	Revenue and Operating Profit by Business for Third Quarter Ended 31 December 2008			Operating Profit		
	3QFY09	Revenue 3QFY08	% Increase/ (Decrease)	3QFY09	3QFY08	% Increase/ (Decrease)
Train	119.7	109.7	9.1	35.1	33.0	6.3
LRT	2.3	2.1	10.7	(0.1)	(0.0)	(154.1)
Buses	51.3	48.2	6.3	(1.2)	0.0	n.m.
Fare Subtotal	173.3	160.0	8.3	33.9	33.0	2.6
Taxis	17.4	19.4	(10.3)	(0.2)	0.5	(149.7)
Rental	14.5	10.8	34.6	10.8	8.0	36.0
Advertising	5.9	5.2	13.8	4.0	3.6	12.2
Engineering & Other Services	7.9	6.7	17.9	1.1	0.4	150.8
Non-fare Subtotal	45.8	42.1	8.7	15.7	12.4	26.4
Group Elimination/ Investment Holding	-	-	-	0.9	1.2	(28.4)

Train Operations

On the back of 8.4% growth in average daily ridership, revenue from Train operations grew 9.1% to \$119.7 million in 3QFY09 and quarterly operating profits rose 6.3% to \$35.1 million, partially offset by higher electricity costs. Driven mainly by 10.8% increase in average daily ridership, revenue from Train operations increased by 10.3% to \$358.1 million in YTDFY09 compared to YTDFY08 while YTDFY09 operating profits increased by 8.6% to \$107.1 million, partially offset by higher staff and electricity costs.

LRT Operations

Revenue from LRT operations in 3QFY09 was slightly higher at \$2.3 million compared to 3QFY08. However, a slightly higher operating loss of \$94,000 was posted due mainly to higher electricity costs. For YTDFY09, on account of higher average daily ridership, revenue from LRT operations grew slightly to \$6.8 million and lower operating loss of \$44,000 was posted.

Bus Operations

Revenue from Bus operations improved by 6.3% to \$51.3 million in 3QFY09 and was 7.3% higher at \$155.7 million in YTDFY09 compared to the previous corresponding periods due mainly to higher average daily ridership. However, Bus operations posted an operating loss of about \$1.2 million in 3QFY09 due mainly to the increase in staff and repair and maintenance costs. For YTDFY09, a \$5.3 million operating loss was incurred mainly as a result of higher diesel costs.

Taxi Operations

On account of a lower average hired-out fleet compared to the previous corresponding periods, taxi rental revenue declined by 10.3% to \$17.4 million in 3QFY09 and was lower at \$54.7 million in YTDFY09. An operating loss of \$226,000 was posted in the quarter while a \$2.0 million loss was incurred in YTDFY09.

Rental of Retail Space

Rental revenue grew 34.6% to \$14.5 million in 3QFY09 with the increase in total lettable space, combined with better rental yield. This led to a 36.0% increase in operating profit to \$10.8 million in the quarter. On the back of 41.8% revenue growth to \$42.6 million in YTDFY09, rental operating profit rose 41.8% to \$31.8 million compared to the same period last year.

Advertising

As a result of increased advertising on buses, taxis, trains and MRT stations, advertising revenue grew 13.8% to \$5.9 million in 3QFY09 on a year-on-year basis and quarterly operating profits was 12.2% higher at \$4.0 million. On the back of increased advertising on our network, advertising revenue gained 14.5% to \$17.5 million in YTDFY09 and operating profits in YTDFY09 rose 14.8% to \$11.4 million compared to YTDFY08.

Engineering & Other Services

On account of higher consultancy revenue from the Palm Jumeirah Project, revenue from Engineering and Other Services in 3QFY09 increased by 17.9% to \$7.9 million and quarterly operating profits more than doubled from \$0.4 million in 3QFY08 to \$1.1 million in 3QFY09. For YTDFY09, revenue was up 66.4% to \$26.6 million due mainly to higher sale of diesel to hirers and consultancy revenue from the Palm Jumeirah Project. Operating profits increased from \$2.4 million in YTDFY08 to \$4.0 million in YTDFY09.

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 be higher in 4QFY09 compared to 4QFY08 due mainly to ridership growth but the rate of growth will be lower than the first three quarters.

Revenue from Rental and Advertising in 4QFY09 is expected to be higher than 4QFY08.

Group operating expenses for 4QFY09 are expected to be higher compared to 4QFY08 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 and increased train runs.

Arising from the Budget announced on 22 January 2009, the Group is expected to derive cost savings from the measures announced by the Government.

We will be working closely with the Public Transport Council to pass on the savings from the Budget to commuters by reducing train and bus fares. SMRT will also pass on to our taxi hirers the savings from various rebates to be given to us by the Government, to help them lower operating costs and tide through this difficult time.

With the global economic slowdown, the operating environment is expected to be difficult for the next 12 months. The outlook for Taxi operations is expected to remain challenging. Bus operations is expected to sustain operating losses for FY2009 due to the high diesel cost sustained in the first half of FY2009 and its operations would also be affected by the implementation of more stringent Quality of Service standards.

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

As the conditions precedent set out in the Sale & Purchase Agreement relating to the acquisition of 49% of the equity interest in Shenzhen Zona Transportation Group Co. Ltd dated 30 September 2008 ("SPA") have not been met, the SPA has ceased.

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Enclosures :

- 1) *Unaudited Financial Statements for the Third Quarter ended 31 December 2008*
- 2) *Presentation for Teleconference Briefing: 3Q FY2009 Financial Results*
- 3) *Teleconference Briefing Speech by Lim Cheng Cheng, Executive Vice President & Chief Financial Officer, of SMRT Corporation, on Third Quarter ended 31 December 2008*



ANNEX

	OPERATING METRICS					YTD	YTD	YTD 09 vs
	3QFY09	3QFY08	2QFY09	3Q09 vs 3Q08 (%)	3Q09 vs 2Q09 (%)	FY09	FY08	YTD 08 (%)
<u>MRT</u>								
Total Ridership ('000)	129,741	119,657	132,038	8.4	(1.7)	386,089	348,603	10.8
Average Daily Ridership ('000)	1,410	1,301	1,435	8.4	(1.7)	1,404	1,268	10.8
Average No. of Passengers/Train Operated	434	442	442	(1.8)	(1.8)	443	435	1.7
Average Fare (cents)	92.2	91.7	93.0	0.6	(0.8)	92.8	93.1	(0.4)
<u>LRT</u>								
Total Ridership ('000)	3,877	3,685	4,165	5.2	(6.9)	11,968	11,165	7.2
Average Daily Ridership ('000)	42.1	40.0	45.3	5.2	(6.9)	43.5	40.6	7.2
Average No. of Passengers/Train Operated	23	22	24	4.6	(6.1)	23	22	7.9
Average Fare (cents)	59.5	56.6	56.4	5.3	5.6	57.2	56.6	1.1
<u>Buses</u>								
Total Ridership ('000)	70,806	67,848	74,390	4.4	(4.8)	216,346	205,914	5.1
Average Daily Ridership ('000)	769.6	737.5	808.6	4.4	(4.8)	786.7	748.8	5.1
Load Factor ² (%)	24.5	23.0	25.3	6.6	(3.2)	24.6	23.3	5.6
Average Fare (cents)	70.0	69.5	69.1	0.7	1.3	69.5	68.7	1.2
<u>Taxis</u>								
Holding Fleet (as of end-period)	2,934	3,002	2,988	(2.3)	(1.8)	2,934	3,002	(2.3)
<u>Rental</u>								
Total Lettable Space (sqm) ³	26,674	25,010	26,592	6.7	0.3	26,674	25,010	6.7
No. of Shops/Units (as of end-period) ³	528	429	522	23.1	1.1	528	429	23.1
Average Occupancy Rate (%) ³	99.1	99.1	99.4	-	(0.3)	99.2	98.4	0.8

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.