SMRT CORPORATION LTD

(Company Registration No: 200001855H)

Unaudited Financial Statements for the Third Quarter ended 31 December 2008

The Directors of SMRT Corporation Ltd wish to announce the unaudited results of the Group for the third quarter ended 31 December 2008 ("3Q FY2009") and for the period 1 April 2008 to 31 December 2008 ("YTD FY2009").

1(a)(i) CONSOLIDATED INCOME STATEMENTS

	The Group					
	Oct - Dec 2008	Oct - Dec 2007	Increase/ (Decrease)	Apr - Dec 2008	Apr - Dec 2007	Increase/ (Decrease)
	$'000	$'000	%	$'000	$'000	%
Revenue	219,039	202,149	8.4	662,005	593,644	11.5
Other operating income	6,212	3,726	66.7	18,573	11,760	57.9
	225,251	205,875	9.4	680,578	605,404	12.4
Staff and related costs	(67,474)	(64,771)	4.2	(206,512)	(190,397)	8.5
Depreciation and impairment losses of property, plant and equipment	(32,941)	(31,302)	5.2	(97,582)	(95,330)	2.4
Amortisation of asset-related grant	4,713	5,157	(8.6)	14,562	16,283	(10.6)
Repairs and maintenance costs	(15,909)	(15,153)	5.0	(47,283)	(45,084)	4.9
Electricity and diesel costs	(30,183)	(22,343)	35.1	(89,147)	(66,477)	34.1
Other operating expenses	(33,006)	(30,795)	7.2	(103,322)	(85,111)	21.4
	(174,800)	(159,207)	9.8	(529,284)	(466,116)	13.6
Profit from operations	50,451	46,668	8.1	151,294	139,288	8.6
Finance costs	(1,847)	(1,968)	(6.1)	(5,550)	(6,097)	(9.0)
Interest and investment income	1,050	1,059	(0.8)	3,724	4,998	(25.5)
Share of results of an associate (net of tax)	-	-	n.m.	162	147	10.2
Profit before income tax	49,654	45,759	8.5	149,630	138,336	8.2
Income tax expense	(8,453)	(7,468)	13.2	(25,559)	(22,569)	13.2
Profit for the period attributable to equity holders of SMRT	41,201	38,291	7.6	124,071	115,767	7.2

	The Group					
	Oct - Dec 2008	Oct - Dec 2007	Increase/ (Decrease)	Apr - Dec 2008	Apr - Dec 2007	Increase/ (Decrease)
			%			%
EBITDA ($'000)	78,679	72,813	8.1	234,314	218,335	7.3
EBITDA margin	35.9%	36.0%	(0.1)	35.4%	36.8%	(1.4)
EBIT margin	23.0%	23.1%	(0.1)	22.9%	23.5%	(0.6)
PAT margin	18.8%	18.9%	(0.1)	18.7%	19.5%	(0.8)
Interest coverage (x)	42.6	37.0	15.1	42.2	35.8	17.9
Earnings Per Share (EPS) (cents)						
- basic	2.7	2.5	7.5	8.2	7.6	7.1
- diluted	2.7	2.5	7.5	8.2	7.6	7.1
Economic Value Added (EVA) ($'000)	29,766	27,208	9.4	90,513	83,334	8.6
Return On Equity (ROE) (annualised)				24.4%	24.1%	0.3

1(a)(ii) Included in the determination of net profit are the following items:-

	The Group			
	Oct - Dec 2008	Oct - Dec 2007	Apr - Dec 2008	Apr - Dec 2007
	$'000	$'000	$'000	$'000
After Charging / (Crediting) :-				
- Impairment loss/(Reversal of impairment loss) for trade receivables	29	(124)	138	(459)
- Allowance for obsolete inventories	567	335	1,819	1,355
- Foreign exchange (gain)/loss	(163)	31	(755)	(198)
- Loss on disposal of property, plant and equipment	621	238	1,658	541
- Gain on disposal of available-for-sale financial assets	(73)	-	(888)	(13)
- Property, plant and equipment written off	25	47	66	844
- Under/(over)provision of current tax in respect of prior years	-	-	-	30
- Under/(over)provision of deferred tax in respect of prior years	-	-	(145)	18

1 (b) EARNINGS PER ORDINARY SHARE

	The Group					
	Oct - Dec 2008	Oct - Dec 2007	Increase/ (Decrease) %	Apr - Dec 2008	Apr - Dec 2007	Increase/ (Decrease) %
Earnings per ordinary share (cents)*:-						
(a) Basic	2.7	2.5	7.5	8.2	7.6	7.1
- Weighted average number of shares for basic EPS ('000)	1,515,961	1,515,026		1,515,592	1,514,519	
(b) Fully Diluted	2.7	2.5	7.5	8.2	7.6	7.1
- Weighted average number of shares for diluted EPS ('000)	1,519,038	1,518,164		1,518,737	1,517,728	

** To the nearest 0.1 cent*

1(c)(i) BALANCE SHEETS

	Notes	The Group		The Company	
		As at 31 Dec 2008	As at 31 Mar 2008	As at 31 Dec 2008	As at 31 Mar 2008
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment		1,056,867	1,032,789	5,406	6,473
Intangible asset		41,932	41,932	-	-
Investments in subsidiaries		-	-	329,891	329,891
Interest in an associate		1,268	1,106	-	-
Financial assets		4,301	6,388	-	-
		1,104,368	1,082,215	335,297	336,364
Current assets					
Inventories		32,903	31,872	-	-
Trade and other receivables		53,879	60,717	364,788	261,003
Financial assets		31,825	15,000	21,668	15,000
Tax recoverable		11,318	15,253	11,318	11,049
Fixed deposits with banks and financial institutions		225,916	216,051	15,000	20,000
Cash at banks and in hand		12,398	16,493	431	4,038
		368,239	355,386	413,205	311,090
Total assets	(a)	1,472,607	1,437,601	748,502	647,454
Equity attributable to equity holders of SMRT					
Share capital		161,756	160,812	161,756	160,812
Reserves		(653)	4,070	1,738	1,564
Accumulated profits		518,880	512,259	218,244	131,592
Total equity		679,983	677,141	381,738	293,968
Non-current liabilities					
Interest-bearing borrowings		150,000	250,000	150,000	250,000
Provisions		3,585	3,215	34	35
Deferred tax liabilities		127,255	131,470	889	889
Fuel equalisation account		19,112	19,112	-	-
Deferred grant		112,183	126,760	-	-
		412,135	530,557	150,923	250,924
Current liabilities					
Interest-bearing borrowings	(b)	100,000	-	100,000	-
Trade and other payables		221,785	171,371	115,764	102,390
Provisions		19,694	18,167	77	172
Current tax payable		39,010	40,365	-	-
		380,489	229,903	215,841	102,562
Total liabilities	(c)	792,624	760,460	366,764	353,486
Total equity and liabilities		1,472,607	1,437,601	748,502	647,454

Notes to Balance Sheets:

(a) Total assets increased by $35.0 million (2.4%) due mainly to higher financial assets of $14.7 million, higher cash and cash equivalents of $5.8 million and higher property, plant and equipment of $24.1 million, partially offset by lower trade and other receivables of $6.8 million.

Trade and other receivables decreased as a result of payments received. The increase in property, plant and equipment was due mainly to the mid-life upgrade of trains and redevelopment of commercial spaces.

Financial assets classified as current as at 31 December 2008 relate to the promissory notes of $21.7 million and fixed rate bonds of $10.2 million. The $15.0 million variable rate notes as at 31 March 2008 were redeemed by the issuer during 2Q FY2009.

(b) Interest-bearing borrowings of $100.0 million as at 31 December 2008 would be repaid in December 2009.

(c) Total liabilities increased by $32.2 million (4.2%) due mainly to higher trade and other payables of $50.4 million as a result of higher payables for the midlife upgrade of trains, partially offset by lower deferred grant of $14.6 million.

1(c)(ii) GROUP'S BORROWINGS

Amounts repayable in one year or less, or on demand

	As at 31 December 2008 $'000	As at 31 March 2008 $'000
Unsecured quoted SGD fixed rate notes - at 3.30% per annum due 2009	100,000	-

Amounts repayable after one year

	As at 31 December 2008 $'000	As at 31 March 2008 $'000
Unsecured quoted SGD floating rate notes due 2010	50,000	50,000
Unsecured quoted SGD fixed rate notes - at 3.30% per annum due 2009	-	100,000
Unsecured quoted SGD fixed rate notes - at 3.27% per annum due 2011	100,000	100,000

Details of any collaterals

Not applicable.

Net Gearing

		The Group	
	Note	As at 31 Dec 2008	As at 31 Mar 2008
Net gearing	(a)	0.02	0.03

(a) Borrowings net of cash and cash equivalents decreased by $5.8 million (33.1%) due mainly to higher cash and cash equivalents. As a result, net gearing has decreased slightly from 0.03 as at 31 March 2008 to 0.02 as at 31 December 2008.

1(c)(iii). NET ASSET VALUE AND NET TANGIBLE ASSET PER ORDINARY SHARE

	The Group		The Company	
	As at 31 Dec 2008	As at 31 Mar 2008	As at 31 Dec 2008	As at 31 Mar 2008
Net asset value per ordinary share (cents)	44.8	44.7	25.2	19.4
Net tangible asset per ordinary share [1] (cents)	42.1	41.9	25.2	19.4
Number of shares at end of period (excluding treasury shares) [2] ('000)	1,516,170	1,515,158	1,516,170	1,515,158

[1] Net tangible asset = net assets less goodwill on consolidation.

[2] Treasury shares - nil.

1(d) CONSOLIDATED CASH FLOW STATEMENTS

	Notes	The Group			
		Oct - Dec 2008	Oct - Dec 2007	Apr - Dec 2008	Apr - Dec 2007
		$'000	$'000	$'000	$'000
Operating activities					
Profit before income tax		49,654	45,759	149,630	138,336
Adjustments for items not involving outlay of funds:					
Amortisation of asset-related grant		(4,713)	(5,157)	(14,562)	(16,283)
Changes in fair value of financial instruments		444	-	1,340	-
Unrealised exchange gain		(229)	-	(1,132)	-
Depreciation and impairment losses of property, plant and equipment		32,941	31,302	97,582	95,330
Dividend income		-	-	(362)	(1,498)
Grant released upon disposal/write-off of property, plant and equipment		(2)	(15)	(15)	(62)
Interest expense		1,847	1,968	5,550	6,097
Interest income		(977)	(1,059)	(2,474)	(3,487)
(Gain)/loss on disposal of:					
- property, plant and equipment		621	238	1,658	541
- financial assets		(73)	-	(888)	(13)
Property, plant and equipment written off		25	47	66	844
Provisions made during the period		1,948	1,235	8,395	8,279
Share-based payment expenses		245	175	827	517
Share of results of an associate		-	-	(162)	(147)
		81,731	74,493	245,453	228,454
Changes in working capital:					
Inventories		1,303	141	(93)	1,191
Trade and other receivables		16,156	1,828	11,383	(564)
Amounts due to/from an associate		(2,775)	949	(1,238)	(4,217)
Trade, other payables and provisions		5,599	3,052	473	(13,894)
Cash generated from operations		102,014	80,463	255,978	210,970
Income taxes paid (net)		(7,605)	(4,951)	(26,568)	(13,569)
Dividends paid		(26,522)	(26,512)	(117,450)	(113,606)
Interest paid		(3,294)	(3,262)	(7,031)	(7,413)
Cash flows from operating activities	(a)	64,593	45,738	104,929	76,382
Investing activities					
Dividends received		-	-	362	1,498
Interest received		776	1,098	2,009	3,804
Purchase of property, plant and equipment		(31,716)	(18,258)	(87,686)	(85,467)
Purchase of financial assets		(10,216)	-	(30,751)	(11,724)
Proceeds from disposal of:					
- property, plant and equipment		262	144	630	434
- financial assets		73	4,000	15,888	4,013
Cash flows from investing activities	(b)	(40,821)	(13,016)	(99,548)	(87,442)
Financing activities					
Proceeds from issue of shares under share option plan		13	78	291	1,706
Cash flows from financing activities		13	78	291	1,706
Net increase/(decrease) in cash and cash equivalents	(c)	23,785	32,800	5,672	(9,354)
Cash and cash equivalents at beginning of period		214,521	127,465	232,544	169,629
Effect of exchange rate fluctuations on cash held		8	(15)	98	(25)
Cash and cash equivalents at end of the period		238,314	160,250	238,314	160,250
Cash and cash equivalents at end of the period comprise:					
Fixed deposits with banks and financial institutions		225,916	149,986	225,916	149,986
Cash at banks and in hand		12,398	10,264	12,398	10,264
		238,314	160,250	238,314	160,250

Notes to Consolidated Cash Flow Statements:

(a) There was a net cash inflow from operating activities of $64.6 million for 3Q FY2009 compared to a net cash inflow of $45.7 million for 3Q FY2008 due mainly to higher cash flow from operations, partially offset by the payment of higher income taxes.

(b) Net cash outflow from investing activities in 3Q FY2009 was higher by $27.8 million compared to 3Q FY2008 due mainly to the purchase of fixed rate bonds of $10.2 million and higher payments for property, plant and equipment.

(c) Net increase in cash and cash equivalents for 3Q FY2009 was lower than 3Q FY2008 due mainly to higher investing cash outflows, partly offset by higher cash inflow from operating activities.

1(e)(i) STATEMENTS OF CHANGES IN EQUITY

The Group

	Share Capital $'000	Foreign Currency Translation Reserve $'000	Hedge Reserve $'000	Fair Value Reserve $'000	Share-based Payment Reserve $'000	Accumulated Profits $'000	Total Attributable to Equity holders of SMRT $'000
At 1 Apr 2007	158,824	-	-	4,540	879	475,926	640,169
Net fair value changes on available-for-sale financial assets	-	-	-	(1,818)	-	-	(1,818)
Net gain/(loss) recognised directly in equity	-	-	-	(1,818)	-	-	(1,818)
Net profit for the period	-	-	-	-	-	37,940	37,940
Total recognised income and expense for the period	-	-	-	(1,818)	-	37,940	36,122
Issue of shares under SMRT ESOP	1,193	-	-	-	-	-	1,193
Value of employee services received for share-based payment	-	-	-	-	166	-	166
At 30 Jun 2007	160,017	-	-	2,722	1,045	513,866	677,650
Net fair value changes on available-for-sale financial assets	-	-	-	128	-	-	128
Translation differences relating to financial statements of foreign subsidiaries	-	(10)	-	-	-	-	(10)
Net gain/(loss) recognised directly in equity	-	(10)	-	128	-	-	118
Net profit for the period	-	-	-	-	-	39,536	39,536
Total recognised income and expense for the period	-	(10)	-	128	-	39,536	39,654
Issue of shares under SMRT ESOP	435	-	-	-	-	-	435
Issue of performance shares	205	-	-	-	(205)	-	-
Value of employee services received for share-based payment	-	-	-	-	176	-	176
Dividends paid	-	-	-	-	-	(87,094)	(87,094)
At 30 Sep 2007	160,657	(10)	-	2,850	1,016	466,308	630,821
Net fair value changes on available-for-sale financial assets	-	-	-	(469)	-	-	(469)
Translation differences relating to financial statements of foreign subsidiaries	-	(15)	-	-	-	-	(15)
Net gain/(loss) recognised directly in equity	-	(15)	-	(469)	-	-	(484)
Net profit for the period	-	-	-	-	-	38,291	38,291
Total recognised income and expense for the period	-	(15)	-	(469)	-	38,291	37,807
Issue of shares under SMRT ESOP	78	-	-	-	-	-	78
Value of employee services received for share-based payment	-	-	-	-	175	-	175
Dividends paid	-	-	-	-	-	(26,512)	(26,512)
At 31 Dec 2007	160,735	(25)	-	2,381	1,191	478,087	642,369

1(e)(i) STATEMENTS OF CHANGES IN EQUITY

The Group (cont'd)

	Share Capital $'000	Foreign Currency Translation Reserve $'000	Hedge Reserve $'000	Fair Value Reserve $'000	Share-based Payment Reserve $'000	Accumulated Profits $'000	Total Attributable to Equity holders of SMRT $'000
At 1 Apr 2008	160,812	(46)	-	2,552	1,564	512,259	677,141
Net fair value changes on available-for-sale financial assets	-	-	-	85	-	-	85
Translation differences relating to financial statements of foreign subsidiary	-	(18)	-	-	-	-	(18)
Net gain/(loss) recognised directly in equity	-	(18)	-	85	-	-	67
Net profit for the period	-	-	-	-	-	40,307	40,307
Total recognised income and expense for the period	-	(18)	-	85	-	40,307	40,374
Issue of shares under SMRT ESOP	166	-	-	-	-	-	166
Value of employee services received for share-based payment	-	-	-	-	338	-	338
At 30 Jun 2008	160,978	(64)	-	2,637	1,902	552,566	718,019
Net fair value changes on available-for-sale financial assets	-	-	-	(1,150)	-	-	(1,150)
Effective portion of changes in fair value of cash flow hedge, net of tax	-	-	(917)	-	-	-	(917)
Translation differences relating to financial statements of foreign subsidiaries	-	48	-	-	-	-	48
Net gain/(loss) recognised directly in equity	-	48	(917)	(1,150)	-	-	(2,019)
Net profit for the period	-	-	-	-	-	42,563	42,563
Total recognised income and expense for the period	-	48	(917)	(1,150)	-	42,563	40,544
Issue of shares under SMRT ESOP	112	-	-	-	-	-	112
Value of employee services received for share-based payment	-	-	-	-	244	-	244
Dividends paid	-	-	-	-	-	(90,928)	(90,928)
At 30 Sep 2008	161,090	(16)	(917)	1,487	2,146	504,201	667,991
Net fair value changes on available-for-sale financial assets	-	-	-	(1,022)	-	-	(1,022)
Effective portion of changes in fair value of cash flow hedge, net of tax	-	-	(4,547)	-	-	-	(4,547)
Net change in fair value of cash flow hedge transferred to the income statement, net of tax	-	-	2,612	-	-	-	2,612
Translation differences relating to financial statements of foreign subsidiaries	-	12	-	-	-	-	12
Net gain/(loss) recognised directly in equity	-	12	(1,935)	(1,022)	-	-	(2,945)
Net profit for the period	-	-	-	-	-	41,201	41,201
Total recognised income and expense for the period	-	12	(1,935)	(1,022)	-	41,201	38,256
Issue of shares under SMRT ESOP	13	-	-	-	-	-	13
Issue of performance shares	653	-	-	-	(653)	-	-
Value of employee services received for share-based payment	-	-	-	-	245	-	245
Dividends paid	-	-	-	-	-	(26,522)	(26,522)
At 31 Dec 2008	161,756	(4)	(2,852)	465	1,738	518,880	679,983

1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont')

The Company

	Share Capital $'000	Share-based Payment Reserve $'000	Accumulated Profits $'000	Total $'000
At 1 Apr 2007	158,824	879	129,739	289,442
Net profit for the period	-	-	1,128	1,128
Total recognised income and expense for the period	-	-	1,128	1,128
Issue of shares under SMRT ESOP	1,193	-	-	1,193
Value of employee services received for share-based payment	-	166	-	166
At 30 Jun 2007	160,017	1,045	130,867	291,929
Net profit for the period	-	-	52,454	52,454
Total recognised income and expense for the period	-	-	52,454	52,454
Issue of shares under SMRT ESOP	435	-	-	435
Issue of performance shares	205	(205)	-	-
Value of employee services received for share-based payment	-	176	-	176
Dividends paid	-	-	(87,094)	(87,094)
At 30 Sep 2007	160,657	1,016	96,227	257,900
Net profit for the period	-	-	600	600
Total recognised income and expense for the period	-	-	600	600
Issue of shares under SMRT ESOP	78	-	-	78
Value of employee services received for share-based payment	-	175	-	175
Dividends paid	-	-	(26,512)	(26,512)
At 31 Dec 2007	160,735	1,191	70,315	232,241

	Share Capital $'000	Share-based Payment Reserve $'000	Accumulated Profits $'000	Total $'000
At 1 Apr 2008	160,812	1,564	131,592	293,968
Net profit for the period	-	-	1,959	1,959
Total recognised income and expense for the period	-	-	1,959	1,959
Issue of shares under SMRT ESOP	166	-	-	166
Value of employee services received for share-based payment	-	338	-	338
At 30 Jun 2008	160,978	1,902	133,551	296,431
Net profit for the period	-	-	200,889	200,889
Total recognised income and expense for the period	-	-	200,889	200,889
Issue of shares under SMRT ESOP	112	-	-	112
Value of employee services received for share-based payment	-	244	-	244
Dividends paid	-	-	(90,928)	(90,928)
At 30 Sep 2008	161,090	2,146	243,512	406,748
Net profit for the period	-	-	1,254	1,254
Total recognised income and expense for the period	-	-	1,254	1,254
Issue of shares under SMRT ESOP	13	-	-	13
Issue of performance shares	653	(653)	-	-
Value of employee services received for share-based payment	-	245	-	245
Dividends paid	-	-	(26,522)	(26,522)
At 31 Dec 2008	161,756	1,738	218,244	381,738

1(e)(ii) The total number of issued shares of the Company as at 31 December 2008 and 31 March 2008 were 1,516,170,346 and 1,515,158,046 respectively.

The Company did not hold any treasury shares in 3Q FY2009 and as at 31 December 2008 (31 December 2007: Nil).

In 3Q FY2009, the Company issued and allotted 620,000 ordinary shares following the exercise of 19,000 share options under the SMRT Corporation Employee Share Option Plan ("SMRT ESOP") and the release of 159,600 shares awarded under the SMRT Corporation Performance Share Plan ("SMRT PSP") and 441,400 shares awarded under the SMRT Corporation Restricted Share Plan ("SMRT RSP").

As at 31 December 2008, the number of outstanding share options under the SMRT ESOP was 2,519,750 (31 December 2007: 3,097,050). Details of the options granted under the SMRT ESOP on the un-issued ordinary shares of the Company are as follows:-

Date of grant of options	Exercise price per share	Options outstanding at 1/10/2008	Options exercised	Options cancelled	Options outstanding at 31/12/2008	Number of option holders at 31/12/2008	Exercise period
16/7/2001	$0.816	1,226,000	5,000	2,000	1,219,000	548	16/7/2002 to 15/7/2011
22/7/2002	$0.676	639,500	7,000	4,500	628,000	571	22/7/2003 to 21/7/2012
22/7/2003	$0.623	686,750	7,000	7,000	672,750	558	22/7/2004 to 21/7/2013
	Total	2,552,250	19,000	13,500	2,519,750		

As at 31 December 2008, the number of outstanding conditional shares awarded under the SMRT RSP and SMRT PSP was 1,659,300 (31 December 2007: 1,376,600).

2. AUDIT

The figures for the quarters and periods ended 31 December 2008 and 31 December 2007 have not been audited or reviewed.

3. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period compared with the audited financial statements as at 31 March 2008.

4. REVIEW OF 3Q FY2009 AND YTD FY2009 PERFORMANCE AGAINST PREVIOUS CORRESPONDING PERIODS

Revenue improved by $16.9 million (8.4%) in 3Q FY2009 and $68.4 million (11.5%) in YTD FY2009 compared to the previous corresponding periods due mainly to higher train and bus ridership, higher rental and advertising revenue. In addition, revenue from diesel sold to taxi hirers was higher in YTD FY2009.

Operating profits in 3Q FY2009 and YTD FY2009 increased by $3.8 million (8.1%) and $12.0 million (8.6%) respectively, compared to the previous corresponding periods due mainly to higher revenue and other operating income partially offset by higher operating cost.

Net profit was higher by $2.9 million (7.6%) in 3Q FY2009 and $8.3 million (7.2%) in YTD FY2009 compared to the previous corresponding periods due mainly to higher operating profits partially offset by higher income tax expenses.

4.1 Revenue

	The Group					
	Oct - Dec 2008	Oct - Dec 2007	Increase/ (Decrease)	Apr - Dec 2008	Apr - Dec 2007	Increase/ (Decrease)
	$'000	$'000	%	$'000	$'000	%
Revenue from:-						
- Train operations	119,671	109,715	9.1	358,096	324,560	10.3
- LRT operations	2,308	2,084	10.7	6,849	6,322	8.3
- Bus operations	51,276	48,226	6.3	155,653	145,129	7.3
- Taxi operations	17,376	19,377	(10.3)	54,706	56,328	(2.9)
- Rental	14,520	10,788	34.6	42,556	30,005	41.8
- Advertising	5,941	5,219	13.8	17,532	15,311	14.5
- Engineering and Other Services	7,947	6,740	17.9	26,613	15,989	66.4
Total revenue	219,039	202,149	8.4	662,005	593,644	11.5

Revenue from Train and Bus operations increased by $13.0 million (8.2%) in 3Q FY2009 and $44.1 million (9.4%) in YTD FY2009 due mainly to the growth in average daily ridership.

Taxi rental revenue declined by $2.0 million (10.3%) in 3Q FY2009 and $1.6 million (2.9%) in YTD FY2009 compared to the previous corresponding periods due to a lower average hired-out fleet.

Rental revenue from commercial spaces increased by $3.7 million (34.6%) in 3Q FY2009 and $12.6 million (41.8%) in YTD FY2009 as a result of better yield and increased space following the redevelopment of commercial spaces at various MRT stations.

Advertising revenue increased by $0.7 million (13.8%) in 3Q FY2009 and $2.2 million (14.5%) in YTD FY2009 compared to the previous corresponding periods as a result of increased advertising on buses, taxis, trains and MRT stations.

Revenue from Engineering and Other Services increased by $1.2 million (17.9%) in 3Q FY2009 due mainly to higher consultancy revenue from the Palm Jumeirah Project in Dubai. The increase of $10.6 million (66.4%) in YTD FY2009 was due mainly to higher sale of diesel and consultancy revenue from the Palm Jumeirah Project in Dubai.

4.2 Other operating income

The increase in other operating income by $2.5 million (66.7%) in 3Q FY2009 and $6.8 million (57.9%) in YTD FY2009 was due mainly to higher other maintenance and related income.

4.3 Expenses

Staff and related costs were $2.7 million (4.2%) and $16.1 million (8.5%) higher in 3Q FY2009 and YTD FY2009 respectively due mainly to increased headcount, salary adjustments and higher employer's CPF contribution. The higher headcount is mainly attributed to preparations for Circle Line Stage 3 and increased train runs.

Depreciation and impairment losses of property, plant and equipment net of amortisation of asset-related grant was $2.1 million (8.0%) and $4.0 million (5.0%) higher in 3Q FY2009 and YTD FY2009 respectively due mainly to increased capitalisation following from the midlife upgrade of trains and the redevelopment of commercial spaces.

Repairs and maintenance costs increased by $0.8 million (5.0%) in 3Q FY2009 and $2.2 million (4.9%) in YTD FY2009 due mainly to more scheduled repairs and maintenance for Train and Bus operations.

Electricity and diesel costs increased by $7.8 million (35.1%) in 3Q FY2009 and $22.7 million (34.1%) in YTD FY2009. Electricity cost was $18.8 million and $46.6 million in 3Q FY2009 and YTD FY2009, respectively, compared to $11.2 million and $36.2 million in 3Q FY2008 and YTD FY2008, respectively. The increase in electricity cost was due mainly to higher electricity prices and higher consumption. In addition, diesel cost was marginally higher in 3Q FY2009 due mainly to higher consumption, partially offset by lower diesel prices. The higher diesel cost in YTD FY2009 was a result of higher diesel prices compared to the corresponding period last year. Diesel cost was $11.4 million and $42.6 million in 3Q FY2009 and YTD FY2009 respectively, compared to $11.2 million and $30.3 million in 3Q FY2008 and YTD FY2008, respectively.

Other operating expenses increased by $2.2 million (7.2%) in 3Q FY2009 in line with higher other maintenance and related income and loss on disposal of property, plant and equipment. Other operating expenses for YTD FY2009 was $18.2 million (21.4%) higher due mainly to higher cost of diesel sold and higher operating fees associated with higher fare revenue.

A segmental breakdown by business is provided under paragraph 9.

4.4 Finance costs

The lower finance costs for 3Q FY2009 and YTD FY2009 was attributable to lower interest costs on borrowings.

4.5 Interest and investment income

Interest and investment income for 3Q FY2009 was marginally lower compared to previous corresponding period. YTD FY2009 was lower due mainly to lower interest rates for fixed deposits.

5. REVIEW OF PROSPECTS STATEMENT

The results for 3Q FY2009 are consistent with the prospects statement issued during the announcement of the 2Q FY2009 results.

6. SUBSEQUENT EVENTS

On 22 January 2009, the Minister for Finance announced in his Budget speech that the corporate income tax rate is to be reduced from 18% to 17% for the year of assessment 2010. The tax charge for the Group for 3QFY2009 and YTD FY2009 have been computed at the rate of 18%, being the corporate tax rate effective as at 31 December 2008. Had the latest corporate income tax rate of 17% been used, the current year tax charge for the Group would have decreased by $0.5 million for 3QFY2009 and $1.3 million for YTD FY2009. On a similar basis, the adjustment for the effect of reduction in tax rate to prior year deferred tax liability for the Group would be a decrease of $7.3 million, translating into a decrease in tax charge of the same amount.

In the opinion of the Directors, there are no other items, transactions or events of a material and unusual nature which has arisen since 1 January 2009 to the date of this announcement which is likely to affect materially the results of the Group for 3Q FY2009 and YTD FY2009.

7. PROSPECTS

Revenue from Train and Bus operations is expected to be higher in 4Q FY2009 as compared to 4Q FY2008 due mainly to ridership growth but the rate of growth will be lower than the first three quarters.

Revenue from Rental and Advertising in 4Q FY2009 is expected to be higher than 4Q FY2008.

Group operating expenses for 4Q FY2009 are expected to be higher compared to 4Q FY2008 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 announcement 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 drivers 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 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.

8. DIVIDENDS

No dividend will be declared for 3Q FY2009.

9. SEGMENT INFORMATION

	Rail									
	MRT $'000	LRT $'000	Bus Operations $'000	Taxi Operations $'000	Rental $'000	Advertising $'000	Engineering and other services $'000	Investment holding $'000	Elimination $'000	Total $'000
Revenue and expenses										
3Q FY2009										
Revenue										
- external customers	119,671	2,308	51,276	17,376	14,520	5,941	7,947	-	-	219,039
- inter-segment	-	-	82	18	-	-	12,075	10,321	(22,496)	-
Operating expenses	(68,388)	(2,396)	(48,533)	(11,597)	(2,400)	(1,732)	(18,799)	(9,011)	22,496	(140,360)
Depreciation, impairment and amortisation	(16,163)	(6)	(3,987)	(6,023)	(1,300)	(185)	(127)	(437)	-	(28,228)
Operating profit/(loss)	35,120	(94)	(1,162)	(226)	10,820	4,024	1,096	873	-	50,451
Finance costs										(1,847)
Interest and investment income										1,050
Share of results of an associate										-
Income tax expense										(8,453)
Profit for the period attributable to equity holders of SMRT										41,201
3Q FY2008										
Revenue										
- external customers	109,715	2,084	48,226	19,377	10,788	5,219	6,740	-	-	202,149
- inter-segment	-	-	90	4	-	-	11,383	8,780	(20,257)	-
Operating expenses	(61,573)	(2,109)	(44,394)	(13,166)	(2,097)	(1,522)	(17,549)	(7,199)	20,273	(129,336)
Depreciation, impairment and amortisation	(15,105)	(12)	(3,907)	(5,760)	(737)	(110)	(137)	(377)	-	(26,145)
Operating profit/(loss)	33,037	(37)	15	455	7,954	3,587	437	1,204	16	46,668
Finance costs										(1,968)
Interest and investment income										1,059
Share of results of an associate										-
Income tax expense										(7,468)
Profit for the period attributable to equity holders of SMRT										38,291

9. SEGMENT INFORMATION (cont'd)

	Rail						Engineering			
	MRT	LRT	Bus Operations	Taxi Operations	Rental	Advertising	and other services	Investment holding	Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue and expenses										
YTD FY2009										
Revenue										
- external customers	358,096	6,849	155,653	54,706	42,556	17,532	26,613	-	-	662,005
- inter-segment	-	-	239	18	-	-	36,588	230,623	(267,468)	-
Operating expenses	(203,361)	(6,874)	(149,592)	(38,836)	(6,977)	(5,581)	(58,775)	(25,663)	67,968	(427,691)
Depreciation, impairment and amortisation	(47,594)	(19)	(11,617)	(17,886)	(3,768)	(545)	(407)	(1,184)	-	(83,020)
Operating profit/(loss)	107,141	(44)	(5,317)	(1,998)	31,811	11,406	4,019	203,776	(199,500)	151,294
Finance costs										(5,550)
Interest and investment income										3,724
Share of results of an associate										162
Income tax expense										(25,559)
Profit for the period attributable to equity holders of SMRT										124,071
YTD FY2008										
Revenue										
- external customers	324,560	6,322	145,129	56,328	30,005	15,311	15,989	-	-	593,644
- inter-segment	-	-	284	6	-	-	35,360	90,350	(126,000)	-
Operating expenses	(179,804)	(6,528)	(131,992)	(38,983)	(5,642)	(5,002)	(48,549)	(22,201)	63,392	(375,309)
Depreciation, impairment and amortisation	(46,119)	(52)	(12,078)	(16,974)	(1,934)	(374)	(419)	(1,097)	-	(79,047)
Operating profit/(loss)	98,637	(258)	1,343	377	22,429	9,935	2,381	67,052	(62,608)	139,288
Finance costs										(6,097)
Interest and investment income										4,998
Share of results of an associate										147
Income tax expense										(22,569)
Profit for the period attributable to equity holders of SMRT										115,767

10. INTERESTED PERSON TRANSACTIONS

The aggregate value of interested person transactions entered into during the quarter are as follows:-

Name of Interested Person	Aggregate value of all interested person transactions entered into under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
	3Q FY2009	**YTD FY2009**
	$ '000	$ '000
Sale of Goods and Services		
Singapore Telecommunications Limited	-	1,656
National University Hospital (Singapore) Pte Ltd	-	180
Planet Telecoms (S) Pte Ltd	-	824
Purchases of Goods and Services		
Singapore Computer Systems Ltd	-	1,381
Nexwave Solutions Pte Ltd	-	109
NCS Pte Ltd	-	411
Power Automation Pte Ltd	254	254
SembWaste Pte Ltd	407	407
SembCorp Power Pte Ltd	31,506	72,093
Total	32,167	77,315

11. NEGATIVE ASSURANCE ON INTERIM FINANCIAL STATEMENTS

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 3Q FY2009 and YTD FY2009 financial results to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ms S. Prema
Company Secretary
SMRT Corporation Ltd

23 January 2009