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SMRT DELIVERS NET PROFIT OF \$48.2M FOR FIRST QUARTER FY2010

19.6% increase in net profit due mainly to Government Budget Measures, higher non-fare operating income and lower operating expenses

GROUP PERFORMANCE HIGHLIGHTS

Financial Highlights for First Quarter FY2010 Ended 30 June 2009 ¹			
	1QFY10	1QFY09	% Change
Revenue (\$m)	215.8	215.9	(0.0)
Other Operating Income (\$m)	13.1	5.6	133.6
EBITDA (\$m)	86.2	75.3	14.5
Total Operating Expenses (\$m)	(171.1)	(173.3)	(1.3)
EBIT (\$m)	57.8	48.2	19.9
Profit Before Tax (\$m)	56.7	48.4	17.1
Profit After Tax (\$m)	48.2	40.3	19.6
Basic Earnings Per Share (cents)	3.2	2.7	19.5
Economic Value Added (\$m)	35.7	28.9	23.6
	As at 30 June 2009	As at 31 March 2009	% Change
Net Tangible Asset Per Share ² (cents)	48.0	44.9	7.0
Net Gearing	Net cash	0.01	n.m

Group revenue in 1QFY10 decreased marginally by \$0.1 million to \$215.8 million as compared to the corresponding quarter last year, due mainly to the fare reduction package which took effect from 1 April 2009 and smaller average hired-out fleet for taxis, partially offset by higher rental revenue and fees from overseas projects.

¹ All figures are quoted in Singapore dollars.

² Excludes goodwill on consolidation.

Press Release

Operating profits in 1QFY10 increased 19.9% to \$57.8 million due mainly to higher other operating income and lower energy costs and other operating expenses partially offset by higher staff and related costs and repairs and maintenance costs. However, the higher staff and related costs were partially offset by jobs credit of \$4.4 million. This jobs credit was part of the contributions from the Government Budget measures as announced in the Budget speech 2009.

The Group achieved net profit after tax of \$48.2 million, 19.6% higher than 1QFY09 due mainly to higher operating profits partially offset by higher income tax expenses and lower interest and investment income.

SMRT President and CEO Saw Phaik Hwa said: "We achieved a reasonable set of results in 1QFY10. Looking ahead, the profitability of the Group will be impacted by the continuing volatility in diesel prices, fare reduction package and the ramp-up costs for the progressive opening of the remaining Circle Line stations. However, SMRT will continue to grow our businesses both locally and overseas while leveraging our expertise and technology to keep costs low."

OPERATING PERFORMANCE BY BUSINESS (1QFY10 AS COMPARED TO 1QFY09)

Revenue and Operating Profits by Business for First Quarter Ended 30 June 2009						
S\$m	Revenue			Operating Profit		
	1QFY10	1QFY09	% Increase/ (Decrease)	1QFY10	1QFY09	% Increase/ (Decrease)
Trains	115.6	115.6	(0.0)	36.7	34.0	8.0
LRT	2.2	2.2	(0.3)	0.0	(0.1)	140.2
Buses	49.0	50.9	(3.7)	1.2	(3.5)	135.6
Fare Subtotal	166.7	168.7	(1.1)	38.0	30.4	24.9
Taxis	17.7	18.9	(6.6)	1.1	(1.3)	188.4
Rental	15.5	13.8	11.9	12.5	11.1	12.9
Advertising	5.4	5.6	(4.5)	3.5	3.8	(9.8)
Engineering & Other Services	10.6	8.9	18.9	1.4	2.0	(30.4)
Non-fare Subtotal	49.1	47.3	3.9	18.4	15.6	18.2
Group Elimination/ Investment Holding	-	-	-	1.4	2.2	(36.6)
TOTAL	215.8	215.9	(0.0)	57.8	48.2	19.9

Train Operations

Revenue from Train operations in 1QFY10 decreased marginally by \$0.03 million (0.02%) to \$115.6 million due mainly to lower average fare partially offset by growth in average daily ridership. However, operating profit increased \$2.7 million (8.0%) to \$36.7 million due mainly to higher other operating income partially offset by higher repairs and maintenance and electricity costs.

LRT Operations

LRT revenue in 1QFY10 was slightly lower at \$2.2 million, as a result of lower average fare partially offset by higher average daily ridership. An operating profit of \$0.04 million was posted due mainly to lower staff and related costs partially offset by lower revenue.

Bus Operations

Revenue from Bus operations in 1QFY10 decreased by \$1.9 million (3.7%) to \$49.0 million due mainly to lower average fare and average daily ridership. Bus, however, posted an operating profit of \$1.2 million due mainly to lower diesel cost partially offset by lower revenue and higher repairs and maintenance expenses.

Taxi Operations

Taxi rental revenue declined by \$1.2 million (6.6%) to \$17.7 million in 1QFY10, due to a smaller average hired-out fleet. Operating profit of \$1.1 million was achieved due mainly to lower other operating expenses as a result of a smaller average holding fleet.

Rental of Retail Space

1QFY10 rental revenue and operating profit increased by \$1.6 million (11.9%) to \$15.5 million and by \$1.4 million (12.9%) to \$12.5 million respectively as a result of better yield and increased space following the redevelopment of commercial spaces at various MRT stations.

Advertising

Advertising revenue in 1QFY10 decreased marginally by \$0.3 million (4.5%) to \$5.4 million due mainly to the weak economic environment. As a result, operating profit was \$0.4 million (9.8%) lower at \$3.5 million.

Engineering & Other Services

Revenue from Engineering and Other Services was \$1.7 million (18.9%) higher at \$10.6 million in 1QFY10. The increase in revenue was due mainly to increased consultancy revenue and higher fees from overseas projects. Operating profit of \$1.4 million was \$0.6 million (30.4%) lower due mainly to lower taxi accident repairs.

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

OUTLOOK AND PROSPECTS (2QFY10 AS COMPARED TO 2QFY09)

Revenue from Train and Bus operations is expected to be lower due to the fare reduction package comprising of fare reduction effective from 1 April 2009 for the next 15 months and increased transfer rebates.

Revenue from Rental is expected to be higher, contributed mainly by increased lettable space following the redevelopment of various stations. However, revenue from Advertising is expected to be lower.

Revenue from Taxi is expected to be lower due mainly to a smaller average holding fleet. However, operating performance is expected to improve.

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

Electricity cost is expected to increase due mainly to higher electricity consumption as a result of increased train runs and commencement of Circle Line Stage 3.

For the next 12 months, the profitability of the Group will be impacted by the continuing volatility in diesel prices, fare reduction package and the ramp-up costs for the progressive opening of the remaining Circle Line stations.

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Enclosures:

- 1) *Unaudited Financial Statements for the First Quarter ended 30 June 2009*
- 2) *Presentation for Teleconference Briefing: 1QFY10 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 2009*

ANNEX**OPERATING METRICS**

	1QFY10	1QFY09	4QFY09	1QFY10 vs 1QFY09 (%)	1QFY10 vs 4QFY09 (%)
<u>MRT (includes Circle Line for 1QFY10)</u>					
Total Ridership ('000)	128,016	124,311	124,159	3.0	3.1
Average Daily Ridership ('000)	1,431	1,366	1,380	4.8	3.7
Average No. of Passengers/Train Operated	418	453	420	(7.8)	(0.6)
Average Fare (cents)	90.3	93.0	93.6	(2.9)	(3.5)
<u>LRT</u>					
Total Ridership ('000)	3,996	3,926	3,992	1.8	0.1
Average Daily Ridership ('000)	43.9	43.1	44.4	1.8	(1.0)
Average No. of Passengers/Train Operated	23	23	24	(0.5)	(2.0)
Average Fare (cents)	54.7	55.9	58.8	(2.0)	(7.0)
<u>Buses</u>					
Total Ridership ('000)	70,370	71,163	71,672	(1.1)	(1.8)
Average Daily Ridership ('000)	773.3	782.0	796.4	(1.1)	(2.9)
Load Factor (%) ¹	24.0	24.1	24.2	(0.2)	(0.7)
Average Fare (cents)	66.4	69.4	69.5	(4.4)	(4.5)
<u>Taxis</u>					
Holding Fleet (as of end-quarter)	2,605	2,965	2,591	(12.1)	0.5
<u>Rental ²</u>					
Total Lettable Space (sqm) (as of end-quarter)	28,799	26,264	27,303	9.7	5.5
Average Lettable Space in the quarter (sqm)	27,879	26,125	26,894	6.7	3.7
No. of Completed Units (as of end-quarter)	571	511	549	11.7	4.0
Average Occupancy Rate (%)	98.6	99.1	99.2	(0.5)	(0.6)

¹ As different vehicle types have different capacities, the average occupancy rate of buses is expressed as load factor

² Figures relate to spaces at MRT stations only