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**SMRT REPORTS NET PROFIT OF \$39.2M FOR THIRD QUARTER FY2010**

- Lower net profit for 3QFY10 due mainly to fare reduction and impairment of goodwill

**GROUP PERFORMANCE HIGHLIGHTS**

Financial Highlights for Third Quarter and Year-to-Date FY2010 Ended 31 December 2009 <sup>1</sup>						
	3QFY10	3QFY09	% Change	YTD FY10	YTD FY09	% Change
Revenue (\$m)	224.7	219.0	2.6	670.0	662.0	1.2
Other Operating Income (\$m)	13.1	6.2	110.8	34.7	18.6	86.9
EBITDA <sup>2</sup> (\$m)	85.6	78.7	8.9	263.8	234.3	12.6
Total Operating Expenses (\$m)	(188.6)	(174.8)	7.9	(534.5)	(529.3)	1.0
Operating Profit (\$m)	49.2	50.5	(2.5)	170.2	151.3	12.5
Profit Before Tax (\$m)	47.2	49.7	(5.0)	165.6	149.6	10.7
Profit After Tax (\$m)	39.2	41.2	(4.8)	140.2	124.1	13.0
Basic Earnings Per Share (cents)	2.6	2.7	(4.9)	9.2	8.2	12.9
Economic Value Added (\$m)	32.6	29.8	9.4	109.0	90.5	20.5
	As at 31 Dec 09	As at 31 Mar 09	% Change			
Net Tangible Assets Per Share <sup>3</sup> (cents)	46.8	44.9	4.2			
Net Gearing	Net cash	0.01	N.A.			

Group revenue for the third quarter of FY10 ("3QFY10") increased 2.6% to \$224.7 million from a year ago due mainly to higher MRT ridership, contribution from Circle Line Stage 3, rental revenue and fees from overseas projects, partially offset by fare reduction.

Operating profit was \$1.3 million lower at \$49.2 million due mainly to impairment of goodwill, higher staff and related costs and higher scheduled repairs and maintenance costs, partially offset by increased revenue, higher other operating income and lower energy costs. Excluding the impact of the impairment of goodwill, operating profit for the quarter would have been \$5.4

<sup>1</sup> All figures are quoted in Singapore dollars.

<sup>2</sup> EBITDA excludes impairment of goodwill.

<sup>3</sup> Excludes goodwill on consolidation.

million higher as compared to a year ago. On account of lower operating profit, net profit after tax for 3QFY10 was \$39.2 million, 4.8% lower as compared to 3QFY09.

For the first nine months of FY10 ("YTDFY10"), Group revenue was up marginally at \$670.0 million. Net profit after tax for YTDFY10 increased 13.0% to \$140.2 million mainly attributed to increased revenue, higher other operating income and lower energy costs, partially offset by higher staff and related costs, increased scheduled repairs and maintenance costs and impairment of goodwill.

SMRT President and CEO Saw Phaik Hwa remarked: "SMRT has performed reasonably well for the first three quarters of the financial year 2010. However, profitability will continue to be impacted by the volatility in diesel prices, the fare reduction package ending June 2010 and the ramp-up costs to prepare for the progressive opening of the remaining Circle Line stations. In addition, the future implementation of central bus planning and market contestability may further impact Bus operations."

#### **OPERATING PERFORMANCE BY BUSINESS (3QFY10 AS COMPARED TO 3QFY09)**

Revenue and Operating Profit by Business for Third Quarter Ended 31 December 2009						
S\$m	Revenue			Operating Profit		
	3QFY10	3QFY09	% Increase/ (Decrease)	3QFY10	3QFY09	% Increase/ (Decrease)
Train	121.8	119.7	1.8	37.2	34.1	9.0
LRT	2.1	2.3	(8.3)	(0.1)	(0.1)	8.1
Bus	48.8	51.3	(4.8)	(1.9)	(1.4)	(41.3)
<b>Fare Subtotal</b>	<b>172.7</b>	<b>173.3</b>	<b>(0.3)</b>	<b>35.2</b>	<b>32.7</b>	<b>7.7</b>
Taxi	17.8	17.4	2.3	0.9	(0.2)	489.7
Rental	16.9	14.5	16.2	13.3	11.7	13.6
Advertising	6.2	5.9	3.7	4.4	4.2	4.4
Engineering & Other Services	11.2	7.9	40.5	3.6	1.1	231.6
<b>Non-fare Subtotal</b>	<b>52.0</b>	<b>45.8</b>	<b>13.5</b>	<b>22.1</b>	<b>16.7</b>	<b>32.3</b>
Group Elimination/ Investment Holding	-	-	-	(1.4)	1.1	(231.5)

Revenue from **Train operations** increased by \$2.1 million to \$121.8 million in 3QFY10 due to higher ridership from North South line and East West line and contribution from Circle Line Stage 3, partially offset by the fare reduction. Quarterly operating profits rose 9.0% to \$37.2 million, due mainly to higher revenue and other operating income, partially offset by higher repair and maintenance costs and staff and related expenses.

Revenue from **Bus operations** decreased \$2.4 million to \$48.8 million in 3QFY10 due mainly to lower average fare. Bus operations posted a higher operating loss of \$1.9 million in 3QFY10 as compared to \$1.4 million in 3QFY09 due mainly to lower revenue, higher repair and maintenance expenses, partially offset by lower diesel costs.

**Taxi rental** revenue increased marginally to \$17.8 million in 3QFY10 as compared to a year ago due mainly to improved hired-out rates. Taxi operations, however, posted an operating profit of \$0.9 million in the quarter as compared to an operating loss of \$0.2 million as a result of improved hired-out rates and lower other operating expenses as a result of a smaller average holding fleet.

**Rental** revenue grew 16.2% to \$16.9 million in 3QFY10 as a result of better yield and increased space following the redevelopment of commercial spaces at various MRT stations. Consequently, operating profit rose 13.6% to \$13.3 million as compared to the same period last year.

**Advertising** revenue increased by \$0.2 million to \$6.2 million in 3QFY10 on a year-on-year basis and quarterly operating profits increased by \$0.2 million to \$4.4 million due mainly to continued efforts throughout the quarter, resulting in increased advertising on trains and MRT stations.

Revenue from **Engineering and Other Services** in 3QFY10 was 40.5% higher at \$11.2 million and quarterly operating profits more than doubled from \$1.1 million in 3QFY09 to \$3.6 million in 3QFY10. This was due mainly to increased contribution from consultancy and overseas projects.

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

## **OUTLOOK AND PROSPECTS**

### **4QFY10 against 4QFY09**

Group revenue is expected to be higher. This is due mainly to higher Train ridership and fees from overseas projects, partially offset by lower average fare due to fare reduction and increase in transfer rebates.

Group operating expenses are expected to be higher due mainly to more scheduled repairs and maintenance and increase in ramp-up costs for the progressive opening of the remaining Circle Line stations. Staff and related costs is also expected to be higher as headcount is expected to increase with the operation of Circle Line Stage 3, increased train runs and recruitment of bus service leaders.

### **12 months outlook**

For the next 12 months, the profitability of the Group including Bus operations continues to be impacted by the fare reduction package ending June 2010 and volatility in diesel prices. Jobs credit scheme will be at stepped down rates for six months from January to June 2010.

The future implementation of central bus planning and market contestability may further impact Bus operations.

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**Enclosures :**

- 1) *Unaudited Financial Statements for the Third Quarter ended 31 December 2009*
- 2) *Presentation for Teleconference Briefing: 3Q FY2010 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 2009*



**ANNEX**

	OPERATING METRICS							
	3QFY10	3QFY09	2QFY10	3Q10 vs 3Q09 (%)	3Q10 vs 2Q10 (%)	YTD2010	YTD2009	YTD10 vs YTD09 (%)
<b>MRT</b>								
Total Ridership ('000)	137,321	129,741	135,034	5.8	1.7	400,371	386,089	3.7
Average Daily Ridership ('000)	1,493	1,410	1,468	5.8	1.7	1,456	1,404	3.7
Average No. of Passengers/Car Operated	69	72	69	(4.2)	-	70	74	(5.0)
Average Peak Period Passenger Load/Car (No. of passengers) <sup>1</sup>	169	224	173	(24.4)	(2.1)	172	220	(21.8)
Average Fare (cents)	88.7	92.2	89.3	(3.9)	(0.7)	89.4	92.8	(3.6)
<b>LRT</b>								
Total Ridership ('000)	3,955	3,877	4,152	2.0	(4.7)	12,104	11,968	1.1
Average Daily Ridership ('000)	43.0	42.1	45.1	2.0	(4.7)	44.0	43.5	1.1
Average No. of Passengers/Train Operated	23	23	24	1.3	(4.1)	23	23	(0.1)
Average Fare (cents)	53.5	59.5	52.6	(10.1)	1.7	53.6	57.2	(6.3)
<b>Buses</b>								
Total Ridership ('000)	72,015	70,806	73,834	1.7	(2.5)	216,219	216,346	(0.1)
Average Daily Ridership ('000)	782.8	769.6	802.5	1.7	(2.5)	786.3	786.7	(0.1)
Load Factor <sup>2</sup> (%)	25.0	24.5	24.8	2.0	0.6	24.4	24.6	(0.6)
Average Fare (cents)	65.0	70.0	64.4	(7.1)	0.9	65.3	69.5	(6.1)
<b>Taxis</b>								
Holding Fleet (as of end-period)	2,582	2,934	2,579	(12.0)	0.1	2,582	2,934	(12.0)
<b>Rental</b>								
Total Lettable Space (sqm) <sup>3</sup>	29,028	26,674	29,225	8.8	(0.7)	29,028	26,674	8.8
No. of Shops/Units (as of end-period) <sup>3</sup>	589	528	590	11.6	(0.2)	589	528	11.6
Average Occupancy Rate (%) <sup>3</sup>	99.3	99.1	99.4	0.2	(0.1)	99.1	99.2	(0.1)

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

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

<sup>3</sup> Figures relate to spaces at MRT stations only.