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SPEECH¹ ON FOURTH QUARTER AND FY2010 FINANCIAL RESULTS ENDED 31 MARCH 2010 BY SAW PHAIK HWA, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND LIM CHENG CHENG, EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER, ON 30 APRIL 2010, 5.45 PM

Good evening, ladies and gentlemen, members of the media, analysts and investors, and online participants who are listening in via our webcast.

Welcome to the results presentation for our fourth quarter and full financial year 2010.

GROUP HIGHLIGHTS [SLIDE 2]

For the full financial year 2010, the Group achieved net profit of 162.9 million dollars, higher by 0.2 million dollars as compared to the previous year.

The slight increase in net profit was due to higher revenue and other operating income, Government Budget measures, lower energy costs and lower other operating expenses.

¹ Speech is based on results presentation which was sent via SGXNet along with the media release and financial statements after 5:00pm on 30 April 2010. These are available online at www.smrt.com.sg. All figures are in Singapore dollars.

I am pleased to announce our Board of Directors has proposed a final ordinary dividend of 6.75 cents per share tax-exempt one-tier and payout will amount to 102.4 million dollars. The total dividend per share for the year is 8.5 cents.

I will now share with you some updates on our businesses.

CIRCLE LINE [SLIDE 3]

In May 2009, we opened Circle Line Stage 3 for operations. Subsequently, Circle Line Stages 1 and 2 commenced operations on 17 April 2010. The remaining section of the Circle Line, Stages 4 and 5, will open in 2011. LTA has projected daily ridership for Stages 1 to 3, to be eventually about 200 thousand.

TRAIN RIDERSHIP GROWTH [SLIDE 4]

Train ridership for financial year 2010 increased 5.2 per cent as compared to a year ago. We expect the recovery of the Singapore economy and the progressive opening of Circle Line stages to continue to contribute to the increase in ridership.

RENTAL GROWTH [SLIDE 5]

In financial year 2010, we achieved rental revenue of 65 million dollars, an increase of 7.5 million dollars, exceeding the revenue

target of 62.5 million dollars shared in the second quarter. Since 2005, 33 stations have been refurbished and the total lettable space as at 31 March 2010 was 28,909 sqm. In financial year 2011, renovations on nine more stations of which six are new are expected to be completed. The three existing stations are Ang Mo Kio, Orchard and Yishun. Along Circle Line, six new stations comprising Bras Basah, Esplanade, Nicoll Highway, Paya Lebar, Promenade and Stadium will commence retail operations.

By end of financial year 2011, we would have refurbished a total of 42 stations and we also expect an increase in rental revenue of 6 million dollars.

SHENZHEN ZONA [SLIDE 6]

On 25 February 2010, the remaining tranche of RMB 80 million for a 49 per cent equity interest in Shenzhen Zona was injected. The first Board meeting was held in April 2010.

I will now hand over to Cheng Cheng who will take you through our financial performance and also present the business outlook on the Group.

P & L HIGHLIGHTS [SLIDE 7]

Thank you, Phaik Hwa. Good evening, ladies and gentlemen. I will now share with you further details on the results of the full financial year 2010.

Group revenue increased 1.8 per cent to 895.1 million dollars due mainly to higher MRT ridership, Circle Line Stage 3 contribution, higher rental revenue and fees from overseas projects, partially offset by fare reduction and lower revenue from diesel sold to taxi hirers.

Other operating income grew 62 per cent to 43.2 million dollars due mainly to higher other maintenance and related income.

Operating profits were 4.5 per cent higher at 197.2 million dollars due mainly to higher revenue, other operating income and lower energy costs and other operating expenses, partially offset by higher staff and related costs, scheduled repairs and maintenance costs and impairment of goodwill.

Profit after tax was higher by 0.2 million dollars at 162.9 million dollars as a result of higher operating profits, partially offset by lower interest and investment income and higher income tax expenses. Higher income tax expenses were due mainly to an adjustment of deferred tax done in prior year arising from the reduction of tax rate in financial year 2009.

OPERATING EXPENSES [SLIDE 8]

Let us look at the individual expense items in the year.

Staff and related costs were higher by 17.4 million dollars or 6.3 per cent due mainly to increased headcount and salary adjustments, partially offset by higher jobs credit. The jobs credit was extended at stepped down rates for 6 months from January to June 2010. The higher headcount was mainly attributed to the operation of Circle Line Stage 3, preparation for Circle Line Stages 1 and 2 and increased train runs. SMRT's headcount was 6,651 as at 31 March 2010 as compared to 6,226 as at 31 March 2009.

Repairs and maintenance costs increased by 19.4 per cent in the year, amounting to a total of 12.9 million dollars as a result of increased scheduled repairs and maintenance for Bus and Train.

Electricity and diesel costs was 104.1 million dollars, a decrease of 14.6 million dollars or 12.3 per cent from the previous financial year.

Electricity cost for the year was higher by 2.9 million dollars at 68.8 million dollars. This was due mainly to higher electricity consumption from increased train runs and the operation of Circle Line Stage 3. Diesel cost was lower at 35.4 million dollars as a result of lower diesel price compared to the previous corresponding period, partially offset

by the provision for fuel equalisation account as required by the Public Transport Council.

Impairment of goodwill on Bus operations of 6.6 million dollars was provided in the previous quarter.

Other operating expenses decreased by 4.9 million dollars in the year due mainly to lower cost of diesel sold and lower operating fees associated with a smaller taxi fleet. These were partially offset by higher allowance for doubtful debts.

Overall operating expenses grew 3.4 per cent to 741 million dollars.

BALANCE SHEET & CASH FLOW HIGHLIGHTS [SLIDE 9]

Total assets increased by 81.7 million dollars due mainly to higher cash and cash equivalents, higher interests in associates and higher inventories. These were partially offset by lower other investments, lower property, plant and equipment, lower trade and other receivables, lower tax recoverable and lower intangible assets.

Interests in associates increased due mainly to the acquisition of a 49 per cent equity interest in Shenzhen Zona Transportation Group Company Limited on 30 October 2009. The consideration of RMB 320 million was injected over two tranches, with the first tranche of RMB 240 million made on 30 October 2009 and the second tranche

of RMB 80 million on 25 February 2010. Inventories increased as a result of the purchase of inventories for Circle Line.

Other investments classified as current decreased due mainly to the maturing of promissory notes and fixed rate bonds in the second quarter of financial year 2010. The decrease in property, plant and equipment was due mainly to depreciation charges. Trade and other receivables decreased due mainly to payments received from the sale of property, plant and equipment. The decrease in tax recoverable was due mainly to tax refund received. Intangible assets decreased as a result of the impairment of goodwill on Bus operations.

The total capex incurred in the year was lower at 114.8 million dollars as compared to 190.4 million dollars a year ago due mainly to lower capex from Train operations.

Cash and cash equivalents stood at 326 million dollars, 80.4 million dollars higher as compared to the beginning of the year. Net increase in cash and cash equivalents for the financial year 2010 was also higher as compared to a year ago due mainly to higher net cash inflow from operating activities and a lower net cash outflow from investing activities.

Net cash inflow from operating activities of 209.1 million dollars was higher due mainly to higher cash generated from operations and lower payment of income tax.

Net cash outflow from investing activities was down by 23.5 million dollars due mainly to lower payment for property, plant and equipment and other investments and higher proceeds from the sale of property, plant and equipment and other investments, partially offset by payment for investment in an associate.

Net cash outflow from financing activities of 1.1 million dollars was due mainly to the repayment of 100 million dollars fixed rate notes in December 2009 and 50 million dollars floating rate notes in January 2010 and payment on settlement of derivatives, partially offset by proceeds from the 150 million dollars fixed rate notes issued in October 2009.

For the full financial year 2010, free cash flow from operations was higher at 122.2 million dollars as compared to 24.8 million dollars a year ago.

Let us now proceed to the segmental performance.

SEGMENTAL PERFORMANCE – TRAIN [SLIDE 10]

Revenue from Train operations grew 1.4 per cent on the back of higher MRT ridership and contribution from Circle Line Stage 3, partially offset by lower average fare for MRT. However, operating profits declined marginally by 0.6 per cent due mainly to higher

repairs and maintenance costs, staff and related expenses and electricity cost.

SEGMENTAL PERFORMANCE – BUS [SLIDE 11]

Revenue from Bus operations saw a decrease of 3.6 per cent in the year due mainly to lower average fare. Lower operating loss of 1.9 million dollars was due mainly to lower diesel cost partially offset by lower revenue, provision for fuel equalisation account, higher repairs and maintenance expenses and higher depreciation.

SEGMENTAL PERFORMANCE – RENTAL [SLIDE 12]

Rental revenue from commercial spaces was higher by 13 per cent on account of better yield and increased space following the redevelopment of commercial spaces at various MRT stations. Operating profit also grew 4.4 million dollars to 50.8 million dollars in the financial year 2010.

SEGMENTAL PERFORMANCE – OTHERS [SLIDE 13]

LRT operations posted an operating loss at 0.4 million dollars due to lower average fare, partially offset by lower staff and related costs.

Taxi operations had a decline in revenue of 0.7 million dollars due mainly to a smaller average holding fleet, partially offset by the higher average hired out rate. However, Taxi posted a turnaround in

operating profit at 1.8 million dollars in the financial year 2010 as compared to an operating loss of 6.3 million dollars a year ago due mainly to lower depreciation, loss on disposal of taxis and other operating expenses as a result of a smaller average holding fleet.

On Advertising, revenue and operating profit were comparable to the previous corresponding periods.

Engineering and Other Services achieved a higher revenue of 10.9 million dollars, driven by higher consultancy and projects revenue partially offset by lower revenue from diesel sold to taxi hirers. Partially offset by higher allowance for doubtful debts, operating profit rose 55.9 per cent to 9.9 million.

BUSINESS OUTLOOK [SLIDE 14]

Let me share with you on the outlook of the first quarter of financial year 2011 as compared with the same quarter last year.

Group revenue is expected to be higher in the first quarter financial year 2011 as compared to first quarter financial year 2010 due mainly to commencement of Circle Line Stages 1 and 2 in April 2010. Higher MRT and Bus ridership are also expected to contribute to the higher Group revenue.

Group operating expenses for the first quarter financial year 2011 are expected to be higher compared to the first quarter financial year

2010. Staff and related costs will be higher as headcount has increased with the operation of Circle Line Stages 1 and 2 from 17 April 2010. In addition, increased train runs and Circle Line operations will result in higher energy costs.

For the next 12 months, the profitability of the Group is expected to be impacted by volatility in energy prices and the cessation of Government Budget measures as announced in the Budget speech 2009. From July 2010 onwards, Train and Bus fares will be reduced by 2.5 per cent on account of the fare formula for 2010 and the implementation of distance fares. The 2.5 per cent fare reduction will be applied to overall fares once the 15-month fare discount of 3 per cent ceases on 2 July 2010.

This marks the end of my briefing. I would like to invite Phaik Hwa and Meng Hin now to the Q&A panel.