

# SMRT CORPORATION LTD

(Company Registration No: 200001855H)

## Results for the Fourth Quarter and Year ended 31 March 2010

The Directors of SMRT Corporation Ltd wish to announce the unaudited results of the Group for the fourth quarter ended 31 March 2010 (“4Q FY2010”) and the audited results for the full year ended 31 March 2010 (“FY2010”).

### 1(a)(i) CONSOLIDATED INCOME STATEMENTS

	<b>The Group</b>					
	Jan - Mar	Jan - Mar	Increase/	Apr - Mar	Apr - Mar	Increase/
	2010	2009	(Decrease)	2010	2009	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	225,052	216,946	3.7	895,053	878,951	1.8
Other operating income	8,488	8,095	4.9	43,200	26,668	62.0
	<u>233,540</u>	<u>225,041</u>	<u>3.8</u>	<u>938,253</u>	<u>905,619</u>	<u>3.6</u>
Staff and related costs	(81,581)	(70,872)	15.1	(294,829)	(277,384)	6.3
Depreciation of property, plant and equipment	(34,434)	(31,375)	9.7	(134,769)	(128,957)	4.5
Amortisation of asset-related grant	4,239	4,035	5.1	17,691	18,597	(4.9)
Repairs and maintenance costs	(25,243)	(19,008)	32.8	(79,175)	(66,291)	19.4
Electricity and diesel costs	(29,273)	(29,636)	(1.2)	(104,144)	(118,783)	(12.3)
Impairment of goodwill *	-	-	n.m.	(6,644)	-	n.m.
Other operating expenses	(40,280)	(40,799)	(1.3)	(139,174)	(144,121)	(3.4)
	<u>(206,572)</u>	<u>(187,655)</u>	<u>10.1</u>	<u>(741,044)</u>	<u>(716,939)</u>	<u>3.4</u>
<b>Profit from operations</b>	26,968	37,386	(27.9)	197,209	188,680	4.5
Finance costs	(1,758)	(1,826)	(3.7)	(7,899)	(7,376)	7.1
Interest and investment income	459	420	9.3	1,665	4,144	(59.8)
Share of results of associates (net of tax)	444	169	162.7	752	331	127.2
	<u>26,113</u>	<u>36,149</u>	<u>(27.8)</u>	<u>191,727</u>	<u>185,779</u>	<u>3.2</u>
<b>Profit before income tax</b>	26,113	36,149	(27.8)	191,727	185,779	3.2
Income tax expense	(3,455)	2,511	(237.6)	(28,842)	(23,048)	25.1
	<u>22,658</u>	<u>38,660</u>	<u>(41.4)</u>	<u>162,885</u>	<u>162,731</u>	<u>0.1</u>

\* This relates to the impairment of goodwill on bus operations

	<b>The Group</b>					
	Jan - Mar	Jan - Mar	Increase/	Apr - Mar	Apr - Mar	Increase/
	2010	2009	(Decrease)	2010	2009	(Decrease)
			%			%
EBITDA (\$'000) **	57,163	64,726	(11.7)	320,931	299,040	7.3
EBITDA margin	25.4%	29.8%	(4.4)	35.9%	34.0%	1.9
EBIT margin	12.0%	17.2%	(5.2)	22.0%	21.5%	0.5
PAT margin	10.1%	17.8%	(7.7)	18.2%	18.5%	(0.3)
Interest coverage (x)	32.5	35.4	(8.3)	40.6	40.5	0.2
Earnings Per Share (EPS) (cents)						
- basic	1.5	2.5	(41.4)	10.7	10.7	0.0
- diluted	1.5	2.5	(41.5)	10.7	10.7	(0.0)
Economic Value Added (EVA) (\$'000)	11,942	20,627	(42.1)	120,969	111,140	8.8
Return On Equity (ROE)				21.8%	23.3%	(1.5)

\*\* EBITDA excludes impairment of goodwill

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

	<b>The Group</b>			
	Jan - Mar 2010	Jan - Mar 2009	Apr - Mar 2010	Apr - Mar 2009
	\$'000	\$'000	\$'000	\$'000
<i>After Charging / (Crediting) :-</i>				
- Impairment loss for trade receivables	3,273	43	3,512	181
- Allowance for obsolete inventories	277	435	2,187	2,254
- Impairment loss on other investments	-	70	-	70
- Inventory written off	19	2	110	36
- Foreign exchange loss/(gain)	46	(1,462)	2,138	(2,217)
- Loss on disposal of property, plant and equipment	306	4,431	1,013	6,089
- Gain on disposal of other investments	(97)	-	(97)	(888)
- Property, plant and equipment written off	-	142	285	208
- Overprovision of current tax in respect of prior years	(106)	(865)	(106)	(865)
- (Over)/Underprovision of deferred tax in respect of prior years	(102)	2,891	(108)	2,746
- Effect of reduction in tax rate to prior year deferred tax	-	(7,412)	-	(7,412)

**1 (b) EARNINGS PER ORDINARY SHARE**

	<b>The Group</b>					
	Jan - Mar 2010	Jan - Mar 2009	Increase/ (Decrease)	Apr - Mar 2010	Apr - Mar 2009	Increase/ (Decrease)
			%			%
Earnings per ordinary share (cents)*:-						
(a) Basic	1.5	2.5	(41.4)	10.7	10.7	0.0
- Weighted average number of shares for basic EPS ('000)	1,517,314	1,516,182		1,516,902	1,515,739	
(b) Fully Diluted	1.5	2.5	(41.5)	10.7	10.7	(0.0)
- Weighted average number of shares for diluted EPS ('000)	1,521,893	1,519,755		1,520,854	1,518,970	

\* To the nearest 0.1 cents

**1(c)(i) BALANCE SHEETS**

Notes	<b>The Group</b>		<b>The Company</b>	
	As at	As at	As at	As at
	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	1,036,601	1,061,540	5,586	6,118
Intangible asset	35,288	41,932	-	-
Investments in subsidiaries	-	-	323,247	329,891
Interests in associates	66,345	1,437	-	-
Other investments	13,246	4,231	-	-
	<u>1,151,480</u>	<u>1,109,140</u>	<u>328,833</u>	<u>336,009</u>
<b>Current assets</b>				
Inventories	49,680	30,917	-	-
Trade and other receivables	54,248	71,548	196,565	362,446
Other investments	-	33,276	-	23,192
Tax recoverable	17	10,977	17	10,578
Fixed deposits with banks and financial institutions	308,932	224,419	-	9,000
Cash at banks and in hand	17,079	21,180	2,149	3,608
Asset classified as held for sale	1,732	-	-	-
	<u>431,688</u>	<u>392,317</u>	<u>198,731</u>	<u>408,824</u>
<b>Total assets</b>	(a) <u><u>1,583,168</u></u>	<u><u>1,501,457</u></u>	<u><u>527,564</u></u>	<u><u>744,833</u></u>
<b>Equity attributable to equity holders of SMRT</b>				
Share capital	163,078	161,774	163,078	161,774
Reserves	4,040	2,764	2,674	2,149
Accumulated profits	<u>602,898</u>	<u>557,540</u>	<u>242,154</u>	<u>215,418</u>
<b>Total equity</b>	<u>770,016</u>	<u>722,078</u>	<u>407,906</u>	<u>379,341</u>
<b>Non-current liabilities</b>				
Interest-bearing borrowings	250,000	100,000	100,000	100,000
Provisions	3,331	3,557	37	35
Deferred tax liabilities	131,342	132,304	871	873
Fuel equalisation account	20,312	19,112	-	-
Deferred grant	90,454	108,141	97	-
	<u>495,439</u>	<u>363,114</u>	<u>101,005</u>	<u>100,908</u>
<b>Current liabilities</b>				
Interest-bearing borrowings	-	150,000	-	150,000
Trade and other payables	261,140	222,548	18,453	114,379
Provisions	25,889	21,488	200	205
Current tax payable	30,684	22,229	-	-
	<u>317,713</u>	<u>416,265</u>	<u>18,653</u>	<u>264,584</u>
<b>Total liabilities</b>	(b) <u>813,152</u>	<u>779,379</u>	<u>119,658</u>	<u>365,492</u>
<b>Total equity and liabilities</b>	<u><u>1,583,168</u></u>	<u><u>1,501,457</u></u>	<u><u>527,564</u></u>	<u><u>744,833</u></u>

## Notes to Balance Sheets:

- (a) Total assets increased by \$81.7 million (5.4%) due mainly to higher cash and cash equivalents (\$80.4 million), higher interests in associates (\$64.9 million) and higher inventories (\$18.8 million). These were partially offset by lower other investments (\$24.3 million), lower property, plant and equipment (\$24.9 million), lower trade and other receivables (\$17.3 million), lower tax recoverable (\$11.0 million) and lower intangible assets (\$6.6 million).

Interests in associates increased due mainly to the acquisition of a 49% equity interest in Shenzhen Zona Transportation Group Co. Ltd (“Shenzhen Zona”) on 30 October 2009. The consideration of RMB 320 million was paid over two tranches, with the first tranche of RMB 240 million (approximately S\$49.1 million<sup>1</sup>) paid on 30 October 2009 and the second tranche of RMB 80 million (approximately S\$16.5 million<sup>2</sup>) paid 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 2Q FY2010. 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.

As at balance sheet date, interests in associates relating to the 50% equity in Transit Link Pte Ltd has been classified as assets held for sale.

- (b) Total liabilities increased by \$33.8 million (4.3%) due mainly to higher trade and other payables (\$38.6 million) and higher fuel equalisation account (\$1.2 million). Trade and other payables increased due mainly to higher accrued operating expenses and payables for the purchase of property, plant and equipment. Fuel equalisation account increased due mainly to additional provision as required by the Public Transport Council.

<sup>1</sup> At closing rate of 0.2046 as at 30 October 2009

<sup>2</sup> At closing rate of 0.2065 as at 25 February 2010

### **1(c)(ii) GROUP’S BORROWINGS**

#### **Amounts repayable in one year or less, or on demand**

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

#### **Amounts repayable after one year**

	As at 31 March 2010 \$'000	As at 31 March 2009 \$'000
Unsecured quoted SGD fixed rate notes - at 3.27% per annum due December 2011	100,000	100,000
Unsecured quoted SGD fixed rate notes - at 2.42% per annum due October 2014	150,000	-

#### **Details of any collaterals**

Not applicable.

**1(c)(ii) GROUP'S BORROWINGS (cont'd)****Net Gearing**

	<b><u>The Group</u></b>	
	As at	As at
Note	<u>31 Mar 2010</u>	<u>31 Mar 2009</u>
Net gearing	(a) net cash	0.01

(a) The Group is in a net cash position as cash and cash equivalents exceed borrowings.

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

	<b><u>The Group</u></b>		<b><u>The Company</u></b>	
	As at	As at	As at	As at
	<u>31 Mar 2010</u>	<u>31 Mar 2009</u>	<u>31 Mar 2010</u>	<u>31 Mar 2009</u>
Net asset value per ordinary share (cents)	50.7	47.6	26.9	25.0
Net tangible asset per ordinary share <sup>1</sup> (cents)	48.4	44.9	26.9	25.0
Number of shares at end of period (excluding treasury shares) <sup>2</sup> ('000)	<u>1,517,354</u>	<u>1,516,195</u>	<u>1,517,354</u>	<u>1,516,195</u>

<sup>1</sup> Net tangible asset = net assets less intangible asset.

<sup>2</sup> Treasury shares - nil.

# 1(d) CONSOLIDATED CASH FLOW STATEMENTS

	<b>The Group</b>			
	Jan - Mar 2010	Jan - Mar 2009	Apr - Mar 2010	Apr - Mar 2009
	\$'000	\$'000	\$'000	\$'000
Notes				
<b>Operating activities</b>				
Profit before income tax	26,113	36,149	191,727	185,779
Adjustments for items not involving outlay of funds:				
Amortisation of asset-related grant	(4,239)	(4,035)	(17,691)	(18,597)
Changes in fair value of financial instruments	-	1,800	(1,615)	3,140
Exchange loss/(gain)	-	(1,583)	1,683	(2,715)
Depreciation of property, plant and equipment	34,434	31,375	134,769	128,957
Dividend income	-	-	(85)	(362)
Grant released upon disposal/write-off of property, plant and equipment	-	(7)	(94)	(22)
Impairment loss of:				
- goodwill	-	-	6,644	-
- other investments	-	70	-	70
Interest expense	1,758	1,826	7,899	7,376
Interest income	(362)	(420)	(1,483)	(2,894)
Loss/(Gain) on disposal of:				
- property, plant and equipment	306	4,431	1,013	6,089
- other investments	(97)	-	(97)	(888)
Property, plant and equipment written off	-	142	285	208
Provisions made during the period	5,451	3,893	14,647	12,288
Share-based payment expenses	509	411	1,616	1,238
Share of results of associates	(444)	(169)	(752)	(331)
	<u>63,429</u>	<u>73,883</u>	<u>338,466</u>	<u>319,336</u>
Changes in working capital:				
Inventories	4,566	1,048	(18,763)	955
Trade and other receivables	(3,103)	4,975	8,057	16,358
Amounts due to/from an associate	3,305	(817)	1,438	(2,055)
Trade, other payables and provisions	21	(10,741)	14,808	(10,268)
Cash generated from operations	<u>68,218</u>	<u>68,348</u>	<u>344,006</u>	<u>324,326</u>
Income taxes paid, net	(3,194)	(9,506)	(10,215)	(36,074)
Dividends paid	-	-	(117,527)	(117,450)
Interest paid	(272)	(410)	(7,185)	(7,441)
Cash flows from operating activities	<u>(a) 64,752</u>	<u>58,432</u>	<u>209,079</u>	<u>163,361</u>
<b>Investing activities</b>				
Dividends received	-	-	85	362
Interest received	255	231	2,150	2,240
Grant received	98	-	98	-
Investment in an associate company	(16,368)	-	(65,469)	-
Purchase of property, plant and equipment	(14,574)	(51,772)	(100,658)	(139,458)
Purchase of other investments	(7,616)	-	(13,366)	(30,751)
Proceeds from disposal of:				
- property, plant and equipment	80	268	13,749	898
- other investments	97	-	36,122	15,888
Cash flows from investing activities	<u>(b) (38,028)</u>	<u>(51,273)</u>	<u>(127,289)</u>	<u>(150,821)</u>

	<b>The Group</b>			
	Jan - Mar	Jan - Mar	Apr - Mar	Apr - Mar
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Notes				
<b>Financing activities</b>				
Proceeds from issue of shares under share option plan	97	18	213	309
Payment on settlement of derivatives	-	-	(1,322)	-
Proceeds from financial liabilities	-	-	150,000	-
Repayment of financial liabilities	(50,000)	-	(150,000)	-
Cash flows from financing activities	(c) (49,903)	18	(1,109)	309
Net (decrease)/increase in cash and cash equivalents	(d) (23,179)	7,177	80,681	12,849
Cash and cash equivalents at beginning of period	349,150	238,314	245,599	232,544
Effect of exchange rate fluctuations on cash held	40	108	(269)	206
Cash and cash equivalents at end of the period	<u>326,011</u>	<u>245,599</u>	<u>326,011</u>	<u>245,599</u>
<u>Cash and cash equivalents at end of the period comprise:</u>				
Fixed deposits with banks and financial institutions	308,932	224,419	308,932	224,419
Cash at banks and in hand	17,079	21,180	17,079	21,180
	<u>326,011</u>	<u>245,599</u>	<u>326,011</u>	<u>245,599</u>

Notes to Consolidated Cash Flow Statements:

- (a) Net cash inflow from operating activities of \$64.8 million for 4Q FY2010 was higher compared to \$58.4 million for 4Q FY2009 due mainly to lower payment of income taxes. Net cash inflow from operating activities of \$209.1 million for FY2010 was higher compared to \$163.4 million for FY2009 due mainly to higher cash generated from operations and lower payment of income taxes.
- (b) Net cash outflow from investing activities of \$38.0 million in 4Q FY2010 was lower compared to \$51.3 million in 4Q FY2009 due mainly to lower purchase of property, plant and equipment, partially offset by payment for investment in an associate and purchase of other investments. Net cash outflow from investing activities in FY2010 was lower by \$23.5 million compared to FY2009 due mainly to lower purchase of 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.
- (c) Net cash outflow from financing activities of \$49.9 million in 4Q FY2010 was due mainly to repayment of the \$50 million floating rate notes in January 2010. Net cash outflow from financing activities of \$1.1 million in FY2010 was due mainly to the repayment of \$100 million fixed rate notes in December 2009 and \$50 million floating rate notes in January 2010 and payment on settlement of derivatives, partially offset by proceeds from the \$150 million fixed rate notes issued in October 2009.
- (d) Net decrease in cash and cash equivalents in 4Q FY2010 compared to net increase in cash and equivalents in 4Q FY2009 was due mainly to net cash outflow from financing activities, partially offset by higher net cash inflow from operating activities and lower net cash outflow from investing activities. Net increase in cash and cash equivalents in FY2010 was higher than in FY2009 due mainly to higher net cash inflow from operating activities and lower net cash outflow from investing activities.

**1(e) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>The Group</b>			
	Jan - Mar	Jan - Mar	Apr - Mar	Apr - Mar
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Profit for the period</b>	22,658	38,660	162,885	162,731
<b>Other comprehensive income/(loss):</b>				
Net fair value changes on available-for-sale financial assets	1,190	-	1,452	(2,087)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	(529)	(942)	(5,993)
Net change in fair value of cash flow hedges transferred to the income statement, net of tax	47	3,381	94	5,993
Translation differences relating to financial statements of foreign subsidiary and associate	261	154	147	196
<b>Other comprehensive income/(loss) for the period, net of income tax</b>	<u>1,498</u>	<u>3,006</u>	<u>751</u>	<u>(1,891)</u>
<b>Total comprehensive income for the period attributable to equity holders</b>	<u><u>24,156</u></u>	<u><u>41,666</u></u>	<u><u>163,636</u></u>	<u><u>160,840</u></u>

**1(f)(i) STATEMENTS OF CHANGES IN EQUITY**

The Group

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Fair Value Reserve \$'000	Hedge Reserve \$'000	Share-based Payment Reserve \$'000	Accumulated Profits \$'000	Total Attributable to Equity Holders of SMRT \$'000
<b>At 1 Apr 2008</b>	160,812	(46)	2,552	-	1,564	512,259	677,141
Total comprehensive income/(loss) for the year	-	196	(2,087)	-	-	162,731	160,840
<i>Transactions with owners, recorded directly in equity</i>							
Issue of shares under SMRT ESOP	309	-	-	-	-	-	309
Issue of performance shares	653	-	-	-	(653)	-	-
Value of employee services received for share-based payment	-	-	-	-	1,238	-	1,238
Final dividend paid of 6.00 cents per share in respect of year 2008	-	-	-	-	-	(90,928)	(90,928)
Interim dividend paid of 1.75 cents per share in respect of year 2009	-	-	-	-	-	(26,522)	(26,522)
Total transactions with owners	962	-	-	-	585	(117,450)	(115,903)
<b>At 31 Mar 2009</b>	<b>161,774</b>	<b>150</b>	<b>465</b>	<b>-</b>	<b>2,149</b>	<b>557,540</b>	<b>722,078</b>
<b>At 1 Apr 2009</b>	161,774	150	465	-	2,149	557,540	722,078
Total comprehensive income/(loss) for the year	-	147	1,452	(848)	-	162,885	163,636
<i>Transactions with owners, recorded directly in equity:</i>							
Issue of shares under SMRT ESOP	213	-	-	-	-	-	213
Issue of performance shares	1,091	-	-	-	(1,091)	-	-
Value of employee services received for share-based payment	-	-	-	-	1,616	-	1,616
Final dividend paid of 6.00 cents per share in respect of year 2009	-	-	-	-	-	(90,976)	(90,976)
Interim dividend paid of 1.75 cents per share in respect of year 2010	-	-	-	-	-	(26,551)	(26,551)
Total transactions with owners	1,304	-	-	-	525	(117,527)	(115,698)
<b>At 31 Mar 2010</b>	<b>163,078</b>	<b>297</b>	<b>1,917</b>	<b>(848)</b>	<b>2,674</b>	<b>602,898</b>	<b>770,016</b>

**1(f)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**

The Company

	Share Capital \$'000	Share-based Payment Reserve \$'000	Accumulated Profits \$'000	Total \$'000
<b>At 1 Apr 2008</b>	160,812	1,564	131,592	293,968
Total comprehensive income for the year	-	-	201,276	201,276
<i>Transactions with owners, recorded directly in equity:</i>				
Issue of shares under SMRT ESOP	309	-	-	309
Issue of performance shares	653	(653)	-	-
Value of employee services received for share-based payment	-	1,238	-	1,238
Final dividend paid of 6.00 cents per share in respect of year 2008	-	-	(90,928)	(90,928)
Interim dividend paid of 1.75 cents per share in respect of year 2009	-	-	(26,522)	(26,522)
Total transactions with owners	962	585	(117,450)	(115,903)
<b>At 31 Mar 2009</b>	<b>161,774</b>	<b>2,149</b>	<b>215,418</b>	<b>379,341</b>

	Share Capital \$'000	Share-based Payment Reserve \$'000	Accumulated Profits \$'000	Total \$'000
<b>At 1 Apr 2009</b>	161,774	2,149	215,418	379,341
Total comprehensive income for the year	-	-	144,263	144,263
<i>Transactions with owners, recorded directly in equity:</i>				
Issue of shares under SMRT ESOP	213	-	-	213
Issue of performance shares	1,091	(1,091)	-	-
Value of employee services received for share-based payment	-	1,616	-	1,616
Final dividend paid of 6.00 cents per share in respect of year 2009	-	-	(90,976)	(90,976)
Interim dividend paid of 1.75 cents per share in respect of year 2010	-	-	(26,551)	(26,551)
Total transactions with owners	1,304	525	(117,527)	(115,698)
<b>At 31 Mar 2010</b>	<b>163,078</b>	<b>2,674</b>	<b>242,154</b>	<b>407,906</b>

- 1(f)(ii)** The total number of issued shares excluding treasury shares of the Company as at 31 March 2010 and 31 March 2009 were 1,517,353,896 and 1,516,195,346 respectively.

The Company did not hold any treasury shares in 4Q FY2010 and as at 31 March 2010 (31 March 2009: Nil).

In 4Q FY2010, the Company issued and allotted 133,150 ordinary shares following the exercise of 133,150 share options under the SMRT Corporation Employee Share Option Plan (“SMRT ESOP”).

In FY2010, the Company issued and allotted 1,158,550 ordinary shares following the exercise of 291,350 share options under the SMRT ESOP and the release of 202,700 shares awarded under the SMRT Corporation Performance Share Plan (“SMRT PSP”) and 664,500 shares awarded under the SMRT Corporation Restricted Share Plan (“SMRT RSP”).

As at 31 March 2010, the number of outstanding share options under the SMRT ESOP was 2,137,000 (31 March 2009: 2,468,450). 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 1/4/2009	Options exercised	Options cancelled	Options outstanding at 31/3/2010	Number of option holders at 31/3/2010	Exercise period
16/7/2001	\$0.816	1,193,000	148,000	20,000	1,025,000	467	16/7/2002 to 15/7/2011
22/7/2002	\$0.676	614,700	73,700	11,800	529,200	493	22/7/2003 to 21/7/2012
22/7/2003	\$0.623	660,750	69,650	8,300	582,800	487	22/7/2004 to 21/7/2013
	Total	2,468,450	291,350	40,100	2,137,000		

As at 31 March 2010, the number of outstanding conditional shares awarded under the SMRT RSP and SMRT PSP was 3,245,100 (31 March 2009: 2,665,700).

## **2. AUDIT**

The figures for the quarters ended 31 March 2010 and 31 March 2009 have not been audited by our external auditors. The figures for the year ended 31 March 2010 have been audited by our auditors, KPMG LLP, in accordance with Singapore Standards on Auditing. Please refer to the Auditors’ Report below.

## **3. ACCOUNTING POLICIES**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting periods compared with the audited financial statements for the year ended 31 March 2009, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2009.

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on or after 1 April 2009. The adoption of these new/revised FRSs and INT FRSs does not have material effect on the amounts reported for the current or prior period.

The adoption of FRS 1 – Presentation of Financial Statements (Revised) has changed the presentation of the statement of changes in equity and includes the consolidated statement of comprehensive income. The adoption of FRS 108 – Operating Segments will disclose segment information to enable management and external stakeholders to evaluate the nature and financial effects of the business activities. As a result, comparative segment information has been re-presented.

#### **4. REVIEW OF GROUP PERFORMANCE (4Q FY2010 AND FY2010 AGAINST PREVIOUS CORRESPONDING PERIODS)**

##### **4.1 Overview**

Group revenue increased by \$8.1 million (3.7%) in 4Q FY2010 compared to 4Q FY2009 due mainly to higher MRT ridership, contribution from Circle Line Stage 3, higher rental revenue and higher consultancy revenue, partially offset by the fare reduction package which took effect from 1 April 2009. Group revenue increased by \$16.1 million (1.8%) in FY2010 compared to the previous corresponding period due mainly to higher MRT ridership, contribution from Circle Line Stage 3, higher rental revenue and fees from overseas projects, partially offset by the fare reduction package which took effect from 1 April 2009 and lower revenue from diesel sold to taxi hirers.

Operating profits were lower by \$10.4 million (27.9%) in 4Q FY2010 due mainly to higher staff and related costs and higher scheduled repairs and maintenance costs, partially offset by higher revenue. Operating profits were higher by \$8.5 million (4.5%) in FY2010 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.

Group net profit was lower by \$16.0 million (41.4%) in 4Q FY2010 due mainly to lower operating profits and higher income tax expenses. Group net profit was higher by \$0.2 million (0.1%) in FY2010 as a result of higher operating profits, partially offset by lower interest and investment income and higher income tax expenses. Income tax expenses were higher due mainly to the reduction in tax rate in the previous corresponding period.

##### **4.2 Explanatory notes to Consolidated Income Statement**

**Other operating income** increased by \$16.5 million (62.0%) in FY2010 due mainly to higher other maintenance and related income.

**Staff and related costs** were higher by \$10.7 million (15.1%) in 4Q FY2010 due mainly to increased headcount, salary adjustments and lower jobs credit. Staff and related costs were higher by \$17.4 million (6.3%) in FY2010 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 is mainly attributed to the operation of Circle Line Stage 3, preparations for Circle Line Stages 1 and 2 and increased train runs.

**Repairs and maintenance costs** increased by \$6.2 million (32.8%) in 4Q FY2010 and \$12.9 million (19.4%) in FY2010 due mainly to more scheduled repairs and maintenance for Bus and Train.

**Electricity and diesel costs** decreased by \$0.4 million (1.2%) in 4Q FY2010 and \$14.6 million (12.3%) in FY2010. Electricity cost was \$18.8 million in 4Q FY2010 and \$68.8 million in FY2010, compared to \$19.3 million in 4Q FY2009 and \$65.9 million in FY2009. Electricity cost was lower in 4Q FY2010 compared to the previous corresponding period due mainly to lower average tariff partially offset by higher electricity consumption. The increase in electricity cost in FY2010 compared to the previous corresponding period was due mainly to higher electricity consumption as a result of increased train runs and the operation of Circle Line Stage 3. Diesel cost was \$10.4 million in 4Q FY2010 and \$35.4 million in FY2010, compared to \$10.3 million in 4Q FY2009 and \$52.9 million in FY2009. Diesel cost was lower in FY2010 as a result of lower diesel price compared to the previous corresponding period, partially offset by the provision for fuel equalization account as required by the Public Transport Council.

**Impairment of goodwill** on bus operations of \$6.6 million was provided in FY2010.

**Other operating expenses** decreased by \$4.9 million (3.4%) in FY2010 due mainly to lower loss on disposal of taxis, 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.

**Interest and investment income** was lower in FY2010 compared to the previous corresponding period due mainly to lower interest rates for fixed deposits and lower investment income.

**Share of results of associates** in FY2010 related to the results of Shenzhen Zona and Transit Link Pte Ltd for the period.

5. **REVIEW OF SEGMENT PERFORMANCE (4Q FY2010 AND FY2010 AGAINST PREVIOUS CORRESPONDING PERIODS)**

A segmental breakdown by business is provided under note 11.

	Fourth Quarter			Full Year		
	4Q FY2010	4Q FY2009	Increase / (Decrease)	FY2010	FY2009	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
<b><u>Train operations</u></b>						
Revenue	120,061	116,154	3.4	480,743	474,250	1.4
Operating profit	17,143	26,325	(34.9)	129,729	130,574	(0.6)
<b><u>LRT operations</u></b>						
Revenue	2,205	2,349	(6.1)	8,746	9,198	(4.9)
Operating profit/(loss)	(443)	(182)	(143.4)	(358)	(199)	(79.9)
<b><u>Bus operations</u></b>						
Revenue	50,821	51,576	(1.5)	199,669	207,229	(3.6)
Operating profit/(loss)	(3,080)	994	(409.9)	(1,940)	(4,886)	60.3
<b><u>Taxi operations</u></b>						
Revenue	17,625	17,032	3.5	70,998	71,738	(1.0)
Operating profit/(loss)	(1,005)	(4,291)	76.6	1,787	(6,305)	128.3
<b><u>Rental</u></b>						
Revenue	16,591	14,978	10.8	65,006	57,534	13.0
Operating profit	12,342	12,235	0.9	50,843	46,474	9.4
<b><u>Advertising</u></b>						
Revenue	5,635	5,009	12.5	22,549	22,541	0.0
Operating profit	3,784	3,164	19.6	15,022	15,007	0.1
<b><u>Engineering and Other Services</u></b>						
Revenue	12,114	9,848	23.0	47,330	36,461	29.8
Operating profit	(508)	2,406	(121.1)	9,903	6,352	55.9
<b><u>Investment holding &amp; Support Services / Consolidation elimination &amp; adjustments</u></b>						
Revenue	-	-	n.m.	12	-	n.m.
Operating profit/(loss)	(1,265)	(3,265)	(61.3)	(1,133)	1,663	(168.1)
<b><u>Subtotal</u></b>						
Revenue	<b>225,052</b>	<b>216,946</b>	<b>3.7</b>	<b>895,053</b>	<b>878,951</b>	<b>1.8</b>
Operating profit before impairment of goodwill	<b>26,968</b>	<b>37,386</b>	<b>(27.9)</b>	<b>203,853</b>	<b>188,680</b>	<b>8.0</b>
Impairment of goodwill *	-	-	n.m.	(6,644)	-	n.m.
<b><u>Total</u></b>						
Revenue	<b>225,052</b>	<b>216,946</b>	<b>3.7</b>	<b>895,053</b>	<b>878,951</b>	<b>1.8</b>
Operating profit after impairment of goodwill	<b>26,968</b>	<b>37,386</b>	<b>(27.9)</b>	<b>197,209</b>	<b>188,680</b>	<b>4.5</b>

\* This relates to the impairment of goodwill on bus operations

Revenue from **Train operations** increased by \$3.9 million (3.4%) in 4Q FY2010 and \$6.5 million (1.4%) in FY2010 as a result of higher MRT ridership and contribution from Circle Line Stage 3, partially offset by lower average fare for MRT. Operating profits decreased by \$9.2 million (34.9%) in 4Q FY2010 due mainly to higher repairs and maintenance costs and staff and related

expenses, partially offset by higher revenue and other operating income. Operating profits decreased by \$0.8 million (0.6%) in FY2010 as compared to the previous corresponding period due mainly to higher repairs and maintenance costs, staff and related expenses and electricity cost, partially offset by higher revenue and other operating income.

Revenue from **Bus operations** decreased by \$0.8 million (1.5%) in 4Q FY2010 and \$7.6 million (3.6%) in FY2010 due mainly to lower average fare. Operating loss of \$3.1 million in 4Q FY2010 as compared to operating profit of \$1.0 million in 4Q FY2009 was due mainly to lower revenue, higher repairs and maintenance costs, depreciation and higher staff and related expenses. Lower operating loss of \$1.9 million in FY2010 as compared to \$4.9 million in the previous corresponding period 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.

**Taxi** rental revenue increased by \$0.6 million (3.5%) in 4Q FY2010 due mainly to improved hired-out rates and higher average hired out fleet. However, the decline in revenue of \$0.7 million (1.0%) for FY2010 was due mainly to a smaller average holding fleet, partially offset by the higher average hired out rate. Lower operating loss in 4Q FY2010 was due mainly to higher revenue, lower depreciation and loss on disposal of taxis. Operating profit of \$1.8 million in FY2010 as compared to operating losses of \$6.3 million in FY2009 was due mainly to lower depreciation, loss on disposal of taxis and other operating expenses as a result of a smaller average holding fleet.

**Rental** revenue from commercial spaces increased by \$1.6 million (10.8%) in 4Q FY2010 and \$7.5 million (13.0%) in FY2010 as a result of better yield and increased space following the redevelopment of commercial spaces at various MRT stations. Operating profit also increased by \$0.1 million (0.9%) in 4Q FY2010 and \$4.4 million (9.4%) in FY2010 compared to the previous corresponding periods.

**Advertising** revenue and operating profit increased by \$0.6 million (12.5%) and \$0.6 million (19.6%) respectively in 4Q FY2010 as compared to 4Q FY2009 due mainly to increased advertising on trains and MRT stations. Revenue and operating profit in FY2010 were comparable to the previous corresponding periods.

Revenue from **Engineering and Other Services** increased by \$2.3 million (23.0%) in 4Q FY2010 due mainly to increased consultancy revenue and fees from overseas projects. Revenue increased by \$10.9 million (29.8%) in FY2010 due mainly to increased consultancy revenue and fees from overseas projects, partially offset by lower revenue from diesel sold to taxi hirers. Operating loss of \$0.5 million in 4Q FY2010 as compared to operating profit of \$2.4 million in 4Q FY2009 was due mainly to higher allowance for doubtful debts. Operating profit increased by \$3.6 million (55.9%) in FY2010 due mainly to contribution from local and overseas projects, partially offset by higher allowance for doubtful debts.

## 6. **BREAKDOWN OF REVENUE AND NET PROFIT**

	<b>The Group</b>		
	Apr - Mar 2010	Apr - Mar 2009	Increase/ (Decrease)
	\$'000	\$'000	%
Revenue reported for first half year	445,282	442,966	0.5
Profit after taxation reported for first half year	101,007	82,870	21.9
Revenue reported for second half year	449,771	435,985	3.2
Profit after taxation reported for second half year	61,878	79,861	(22.5)

Revenue reported for the first and second half year improved largely on account of higher MRT ridership, contribution from Circle Line Stage 3, rental revenue and fees from overseas projects, partially offset by the fare reduction package which took effect from 1 April 2009.

Profit after tax reported for first half year was higher due mainly to higher profits from operations.

Profit after tax reported for second half year was lower due mainly to lower operating profits from Train operations, the impairment of goodwill on bus operations of \$6.6 million and higher income tax expenses as compared to FY2009 as a result of the tax rate reduction in the previous corresponding period.

## 7. **REVIEW OF PROSPECTS STATEMENT**

The results for 4Q FY2010 are consistent with the prospects statement issued during the announcement of the 3Q FY2010 results.

## 8. **SUBSEQUENT EVENTS**

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen since 1 April 2010 to the date of this announcement which is likely to affect materially the results of the Group for 4Q FY2010 and FY2010.

## 9. **PROSPECTS**

Group revenue is expected to be higher in 1Q FY2011 as compared to 1Q FY2010 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 1Q FY2011 are expected to be higher compared to 1Q FY2010. 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% on account of the fare formula for 2010 and the implementation of distance fares. The 2.5% fare reduction will be applied to overall fares once the 15-month fare discount of 3% ceases on 2 July 2010.

## 10. DIVIDENDS

### (a) Current Financial Period (FY2010) Reported on

<b>Name of dividend</b>	<b>Interim</b>	<b>Proposed Final</b>
Dividend type	Cash	Cash
Dividend amount per share (in cents)	1.75	6.75
Tax rate	Tax exempt one-tier	Tax exempt one-tier

### (b) Previous Corresponding Period (FY2009) Reported

<b>Name of dividend</b>	<b>Interim</b>	<b>Final</b>
Dividend type	Cash	Cash
Dividend amount per share (in cents)	1.75	6.00
Tax rate	Tax exempt one-tier	Tax exempt one-tier

### (c) Total Annual Dividend

	<b>Year ended 31 March 2010</b> <b>\$'000</b>	<b>Year ended 31 March 2009</b> <b>\$'000</b>
Interim Dividend	26,551	26,522
Final Dividend	102,421	90,976
Total Annual Dividend	128,972	117,498

### (d) Date Payable

The Board of Directors has proposed a final ordinary dividend of 6.75 cents per share (tax exempt one-tier), totalling \$102.4 million. The final dividend, if approved at the 11th Annual General Meeting, will be paid on 5 August 2010 to members on the Register as at 23 July 2010. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividend will be paid by the Company to CDP which will, in turn, distribute the entitlements to the final dividend to CDP account holders in accordance with its normal practice.

### (e) Books Closure Date

Notice is hereby given that the Transfer Books and the Register of Members of the Company will be closed from 26 July 2010 to 27 July 2010 (both dates inclusive) for the preparation of dividend warrants.

Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5.00p.m. on 23 July 2010 will be registered to determine shareholders' entitlement to the final dividend.

## 11. SEGMENT INFORMATION

	-----Rail-----		Bus	Taxi	Rental	Advertising	Engineering and other services	Investment holding and support services	Consolidation elimination & adjustments	Total
	MRT	LRT	operations	operations	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue and expenses</b>										
<b>4Q FY2010</b>										
Revenue										
- external customers	120,061	2,205	50,821	17,625	16,591	5,635	12,114	-	-	225,052
- inter-segment	-	-	92	-	-	24	13,285	11,730	(25,131)	-
Operating expenses (net of other income)	(86,992)	(2,640)	(48,959)	(13,319)	(2,335)	(1,644)	(25,725)	(11,830)	25,555	(167,889)
Depreciation and amortisation	(15,926)	(8)	(5,034)	(5,311)	(1,914)	(231)	(182)	(444)	(1,145)	(30,195)
Segment operating results	<u>17,143</u>	<u>(443)</u>	<u>(3,080)</u>	<u>(1,005)</u>	<u>12,342</u>	<u>3,784</u>	<u>(508)</u>	<u>(544)</u>	<u>(721)</u>	<u>26,968</u>
Impairment of goodwill *										-
Finance costs										(1,758)
Interest income										362
Investment income										97
Share of results of associates										444
Income tax expense										(3,455)
Profit for the period attributable to equity holders of SMRT										<u>22,658</u>
<b>4Q FY2009</b>										
Revenue										
- external customers	116,154	2,349	51,576	17,032	14,978	5,009	9,848	-	-	216,946
- inter-segment	-	-	156	26	1	-	12,403	9,048	(21,634)	-
Operating expenses (net of other income)	(74,849)	(2,525)	(46,295)	(15,473)	(1,348)	(1,631)	(19,688)	(10,894)	20,483	(152,220)
Depreciation and amortisation	(14,980)	(6)	(4,443)	(5,876)	(1,396)	(214)	(157)	(482)	214	(27,340)
Segment operating results	<u>26,325</u>	<u>(182)</u>	<u>994</u>	<u>(4,291)</u>	<u>12,235</u>	<u>3,164</u>	<u>2,406</u>	<u>(2,328)</u>	<u>(937)</u>	<u>37,386</u>
Finance costs										(1,826)
Interest income										420
Investment income										-
Share of results of an associate										169
Income tax expense										2,511
Profit for the period attributable to equity holders of SMRT										<u>38,660</u>

\* This relates to the impairment of goodwill on bus operations

**11. SEGMENT INFORMATION (cont'd)**

	-----Rail-----		Bus	Taxi	Rental	Advertising	Engineering and other services	Investment holding and support services	Consolidation elimination & adjustments	Total
	MRT	LRT	operations	operations	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue and expenses</b>										
<b>FY2010</b>										
Revenue										
- external customers	480,743	8,746	199,669	70,998	65,006	22,549	47,330	12	-	895,053
- inter-segment	-	-	423	27	-	336	53,303	45,910	(99,999)	-
Operating expenses (net of other income)	(286,776)	(9,079)	(183,036)	(48,353)	(7,063)	(6,948)	(90,038)	(42,828)	99,999	(574,122)
Depreciation and amortisation	(64,238)	(25)	(18,996)	(20,885)	(7,100)	(915)	(692)	(1,727)	(2,500)	(117,078)
Segment operating results	<u>129,729</u>	<u>(358)</u>	<u>(1,940)</u>	<u>1,787</u>	<u>50,843</u>	<u>15,022</u>	<u>9,903</u>	<u>1,367</u>	<u>(2,500)</u>	<u>203,853</u>
Impairment of goodwill *										(6,644)
Finance costs										(7,899)
Interest income										1,483
Investment income										182
Share of results of associates										752
Income tax expense										(28,842)
Profit for the period attributable to equity holders of SMRT										<u><u>162,885</u></u>
<b>FY2009</b>										
Revenue										
- external customers	474,250	9,198	207,229	71,738	57,534	22,541	36,461	-	-	878,951
- inter-segment	-	-	395	44	1	-	48,991	40,171	(89,602)	-
Operating expenses (net of other income)	(281,102)	(9,372)	(195,875)	(54,309)	(5,897)	(6,775)	(78,463)	(36,557)	88,439	(579,911)
Depreciation and amortisation	(62,574)	(25)	(16,635)	(23,778)	(5,164)	(759)	(637)	(1,666)	878	(110,360)
Segment operating results	<u>130,574</u>	<u>(199)</u>	<u>(4,886)</u>	<u>(6,305)</u>	<u>46,474</u>	<u>15,007</u>	<u>6,352</u>	<u>1,948</u>	<u>(285)</u>	<u>188,680</u>
Finance costs										(7,376)
Interest income										2,894
Investment income										1,250
Share of results of an associate										331
Income tax expense										(23,048)
Profit for the period attributable to equity holders of SMRT										<u><u>162,731</u></u>

\* This relates to the impairment of goodwill on bus operations

## 12. INTERESTED PERSON TRANSACTIONS

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

Name of Interested Person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)		Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate)	
	4Q FY2010	FY2010	4Q FY2010	FY2010
	\$ '000	\$ '000	\$ '000	\$ '000
<b><u>Sale of Goods and Services</u></b>				
National University Hospital (Singapore) Pte Ltd	-	1,129	-	-
Singapore Telecommunications Limited (1)	-	809	-	-
Singapore Technologies Electronics Limited (2)	-	3,371	-	-
Singapore Airport Terminal Services Limited (3)	-	-	-	140
SembWaste Pte Ltd (4)	-	2,858	-	-
MediaCorp Press Ltd (6)	285	285	-	-
Planet Telecoms (S) Pte Ltd (7)	183	183	-	-
<b><u>Purchases of Goods and Services</u></b>				
SembWaste Pte Ltd (4)	-	225	-	-
SCS Computer Systems Pte Ltd (1)	-	316	-	-
NCS Communications Engineering Pte Ltd (1)	-	447	-	-
Singapore Telecommunications Limited (1)	-	661	-	-
Power Automation Pte Ltd (5)	6,222	6,446	-	-
MediaCorp TV Singapore Pte Ltd (6)	-	300	-	-
Singapore Technologies Electronics Limited (2)	435	435	-	-
<b>Total</b>	<b>7,125</b>	<b>17,465</b>	<b>-</b>	<b>140</b>

(1) Part of Singapore Telecommunications Group

(2) Part of Singapore Technologies Engineering Group

(3) Part of Singapore Airlines Group

(4) Part of SembCorp Industries Group

(5) Part of Singapore Power Group

(6) Part of MediaCorp Group

(7) Part of Singapore Technologies Telemedia Group

BY ORDER OF THE BOARD

Ms S. Prema  
Company Secretary  
SMRT Corporation Ltd

30 April 2010