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## SMRT REPORTS LOWER NET PROFIT FOR 3QFY12

- Net profit was lower due mainly to higher energy costs and increased headcount.

### GROUP PERFORMANCE HIGHLIGHTS

Financial Highlights for Third Quarter FY2012 Ended 31 December 2011 <sup>1</sup>						
	3QFY12	3QFY11	% Change	YTD FY12	YTD FY11	% Change
Revenue (\$m)	268.2	243.9	10.0	782.4	725.2	7.9
Other Operating Income (\$m)	5.9	4.6	28.8	16.0	12.7	25.9
EBITDA (\$m)	81.3	82.8	(1.7)	226.1	244.5	(7.6)
Total Operating Expenses (\$m)	(227.7)	(196.3)	16.0	(667.6)	(583.7)	14.4
Operating Profit (\$m)	46.4	52.1	(11.0)	130.9	154.3	(15.2)
Profit Before Tax (\$m)	45.0	51.0	(11.8)	127.4	151.7	(16.0)
Profit After Tax (\$m)	37.0	43.0	(13.9)	105.9	127.0	(16.6)
Basic Earnings Per Share (cents)	2.4	2.8	(14.0)	7.0	8.4	(16.7)
Economic Value Added (\$m)	26.8	30.2	(11.1)	70.9	90.1	(21.3)
	As at 31 Dec 11	As at 31 Mar 11	% Change			
Net Tangible Assets Per Share <sup>2</sup> (cents)	49.0	50.3	(2.6)			
Net Gearing	Net cash	Net Cash	N.A.			

Group revenue increased by 10.0% or \$24.4 million to \$268.2 million due mainly to higher MRT and Bus ridership, contribution from Circle Line, higher taxi rental revenue, and higher rental and advertising revenue.

Group operating profit was \$5.7 million lower at \$46.4 million. This was due mainly to higher total operating expenses, partially offset by higher revenue and other operating income.

SMRT Executive Director and CEO, Tan Ek Kia said: "The operating performance in the quarter was affected by the higher energy costs and higher headcount mainly attributed to the operation of Circle Line and increased train runs. Operationally, our focus remains that of regaining

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

<sup>2</sup> Excludes intangible asset.

commuters' confidence in the reliability of the system following the service disruptions in December."

### **OPERATING PERFORMANCE BY BUSINESS (3QFY12 AS COMPARED TO 3QFY11)**

Revenue and Operating Profit by Business for Third Quarter Ended 31 December 2011						
S\$m	Revenue			Operating Profit		
	3QFY12	3QFY11	% Increase/ (Decrease)	3QFY12	3QFY11	% Increase/ (Decrease)
Train	144.9	132.7	9.2	25.7	30.0	(14.4)
LRT	2.4	2.3	6.0	(0.1)	(0.2)	59.6
Bus	54.4	52.7	3.3	(1.7)	(1.1)	(54.6)
<b>Fare Subtotal</b>	<b>201.8</b>	<b>187.7</b>	<b>7.5</b>	<b>23.9</b>	<b>28.7</b>	<b>(16.7)</b>
Taxi	29.6	23.0	28.4	1.1	0.6	86.0
Rental	20.7	18.7	11.0	15.6	14.4	8.6
Advertising	8.5	6.5	31.3	5.6	4.8	17.8
Engineering & Other Services	7.6	8.0	(5.1)	0.7	3.0	(75.7)
<b>Non-fare Subtotal</b>	<b>66.4</b>	<b>56.2</b>	<b>18.2</b>	<b>23.0</b>	<b>22.7</b>	<b>1.5</b>
Group Elimination/ Investment Holding	0.1	0.0	1,283.3	(0.5)	0.8	(160.0)

Revenue from **Train operations** increased by \$12.2 million to \$144.9 million as a result of higher ridership. Operating profit decreased by \$4.3 million to \$25.7 million due mainly to higher energy costs and staff and related expenses and higher depreciation. Staff and related expenses were higher due mainly to increased headcount for the operation of Circle Line and increased train runs, impact of salary adjustments and higher CPF contributions. In addition, repairs and maintenance costs were higher in 3QFY12 as a result of more scheduled repairs and maintenance.

Expenses arising from the recent MRT disruptions incurred this quarter were not significant.

Revenue from **Bus operations** was 3.3% higher at \$54.4 million due mainly to higher ridership. Higher operating loss of \$1.7 million was due mainly to higher diesel cost and staff and related expenses, partially offset by higher revenue.

**Taxi** rental revenue increased by 28.4% or \$6.5 million to \$29.6 million, due mainly to higher rental revenue from a larger average hired out fleet. Operating profit increased by \$0.5 million as a result of higher revenue, partially offset by higher depreciation and insurance cost.

**Rental** revenue from commercial spaces grew 11.0% to \$20.7 million as a result of increased space following the redevelopment of commercial spaces at various MRT stations. Consequently, operating profit increased by 8.6% to \$15.6 million.

**Advertising** revenue increased by \$2.0 million to \$8.5 million. Operating profits also increased by \$0.8 million to \$5.6 million. The higher revenue is partially offset by higher depreciation and other operating expenses.

Revenue and operating profit for **Engineering and Other Services** in 3QFY12 decreased by \$0.4 million or 5.1% and \$2.2 million or 75.7% respectively. This was due mainly to the absence of receipts from Nakheel following the termination of Palm Jumeirah operation and maintenance contract in August 2010.

Details of the operating metrics are stated in the **Annex** on page 5.

## **OUTLOOK AND PROSPECTS**

Group revenue is expected to be higher in 4Q FY2012 and the next 12 months as compared to the corresponding period last year due to expected increase in ridership. With the opening of all Circle Line stages, the average weekday ridership for Circle Line is about 300,000.

However, increasing cost pressures particularly energy costs and staff and related costs are expected to impact the Group's performance in 4Q FY2012 and the next 12 months.

With the increase in operating costs, the profitability of the Group in FY2012 will not be maintained at previous year's level.

In the next 12 months, the profitability of the Train operations will also be impacted by the consequential costs arising from the recent MRT service disruptions. If diesel cost remains at the

current high level, the profitability of the Bus business will continue to be impacted and accordingly the goodwill will be impaired.

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**Enclosures :**

- 1) *Unaudited Financial Statements for the Third Quarter ended 31 December 2011*
- 2) *Presentation for Teleconference Briefing: 3QFY12 Financial Results*
- 3) *Speech by Catherine Lee, Executive Vice President & Chief Financial Officer, of SMRT Corporation, at Teleconference Briefing on Third Quarter ended 31 December 2011*



	OPERATING METRICS									
	3QFY12	3QFY11	2QFY12	3Q12 vs 3Q11 (%)	3Q12 vs 2Q12 (%)	YTD2012	YTD2011	YTD12 vs YTD11 (%)		
<b><u>Train operations</u></b>										
Total Ridership ('000)	166,099	153,883	163,691	7.9	1.5	485,866	451,866	7.6		
Average Daily Ridership ('000)	1,805	1,673	1,779	7.9	1.5	1,767	1,642	7.6		
Average No. of Passengers/Car Operated	64.3	71.1	69.9	(9.5)	(8.0)	67.7	70.3	(3.6)		
Average Peak Period Passenger Load/Car (No. of passengers) <sup>1</sup>	187	186	190	0.2	(2.0)	190	187	1.3		
Average Fare (cents)	87.3	86.3	86.1	1.2	1.4	86.6	87.5	(1.0)		
<b><u>LRT</u></b>										
Total Ridership ('000)	4,525	4,296	4,801	5.3	(5.7)	13,918	13,074	6.5		
Average Daily Ridership ('000)	49.2	46.7	52.2	5.3	(5.7)	50.6	47.5	6.5		
Average No. of Passengers/Train Operated	27	24	28	10.0	(4.3)	28	25	12.0		
Average Fare (cents)	53.9	53.6	52.5	0.6	2.7	53.0	53.8	(1.4)		
<b><u>Buses</u></b>										
Total Ridership ('000)	79,292	76,531	83,106	3.6	(4.6)	242,394	231,761	4.6		
Average Daily Ridership ('000)	861.9	831.9	903.3	3.6	(4.6)	881.4	842.8	4.6		
Load Factor <sup>2</sup> (%)	25.2	24.6	27.1	2.5	(7.0)	26.0	24.9	4.4		
Average Fare (cents)	64.38	64.73	62.60	(0.5)	2.9	63.45	64.59	(1.8)		
<b><u>Taxis</u></b>										
Holding Fleet (as of end-period)	3,133	2,588	3,114	21.1	0.6	3,133	2,588	21.1		
<b><u>Rental</u></b>										
Average Lettable Space (sqm) <sup>3</sup>	34,487	31,755	32,745	8.6	5.3	33,181	31,419	5.6		
No. of Shops/Units as at end-period <sup>3</sup>	723	665	723	8.7	0.0	723	665	8.7		
Average Occupancy Rate (%) <sup>3</sup>	98.2	97.9	96.4	0.3	1.8	97.6	98.5	(0.9)		

<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.