



SMRT CORPORATION LTD

CLSA Presentation May 2009

Note on Forward-Looking Statements

The following presentation may contain forward looking statements relating to financial trends for future periods, compared to the results for previous periods. These forward looking statements are based on management's current views, expectations and assumptions including, but not limited to, prevailing or future economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of SMRT. Therefore, we advise you not to place undue reliance on these statements. In particular, such targets should not be regarded as a forecast or projection of future performance of SMRT. It should be noted that the actual performance of SMRT may vary significantly from such targets.



Contents

- Corporate Profile
- Financial Performance
- Key Strategic Thrusts
 - Highlights on Business Sectors
- Outlook for Q1FY10
- Q&A



Corporate Profile

- Listed in July 2000, SMRT Corporation is a multi-modal transport operator with market capitalisation of more than S\$2.0b on SGX
- **Fare businesses:**
 - Operates North-South and East-West MRT lines
 - Will operate Circle Line Stage 3 from May 2009
 - Runs Singapore's first Light Rapid Transit system
 - Provides basic, premium and chartered bus services
- **Non-fare businesses:**
 - Second largest taxi operator
 - Reaps increasing revenues from retail and advertising
 - Provides engineering consultancy, O&M and related services



Milestones

- Nov 1987**
 - Commenced first revenue train service
 - Expanded North-South, East-West MRT network
- Oct 1999**
 - Awarded licence to operate Bukit Panjang light rail
- Jul 2000**
 - Listing of SMRT shares on SGX
- Aug 2001**
 - Awarded licence to operate Circle Line
- Dec 2001**
 - Acquired TIBS Holdings – added bus and taxi services
- 2004**
 - Expansion in Retail and Advertising
- 2007**
 - First major overseas contract in Dubai
- 2009**
 - Received three awards including ‘Best Metro’ and ‘Best Metro (Asia Pacific)’ awards at international Metro Awards
 - Circle Line Stage 3 to open from May 2009



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Financial Performance (FY05 to FY09)

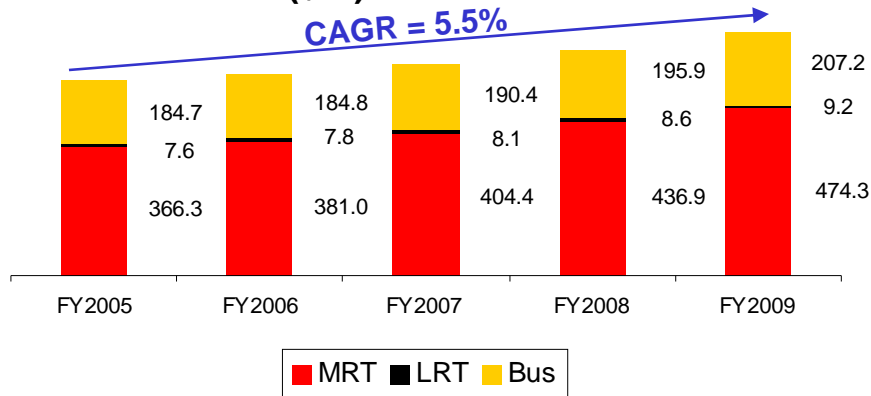
\$m	FY2009	FY2008	FY2007	FY2006	FY2005
Revenue	879.0	802.1	743.1	711.7	673.5
EBITDA	299.0	284.1	255.0	247.2	230.0
Profit after tax	162.7	149.9	135.8	103.6	126.6
EPS (cents)	10.7	9.9	9.0	6.9	8.4
Net DPS (cents)	7.75	7.75	7.0	5.6	5.2
ROE (%)	23.3	22.8	22.1	18.2	24.5
ROTA (%)	11.1	10.6	9.8	7.5	8.6

**Profit after tax – compounded growth rate of 6.5%
(FY2005 to FY2009)**



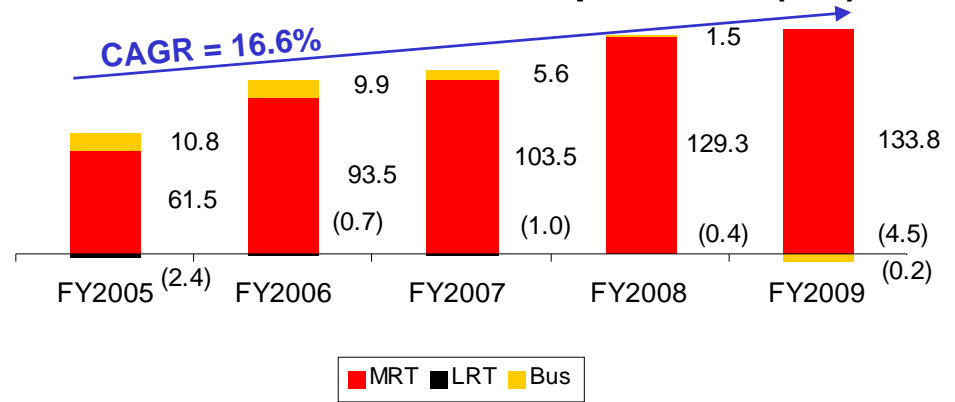
Segmental Performance

Fare Revenue (\$m)



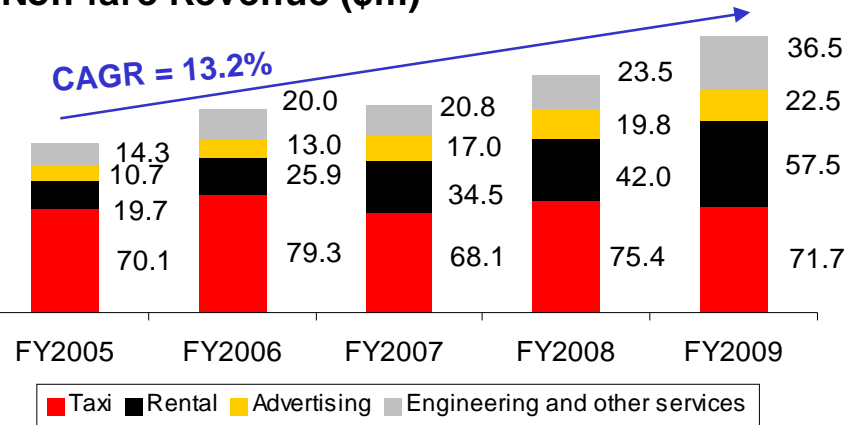
Fare: About 80% of Revenue (FY09)

EBIT from Fare Operations (\$m)



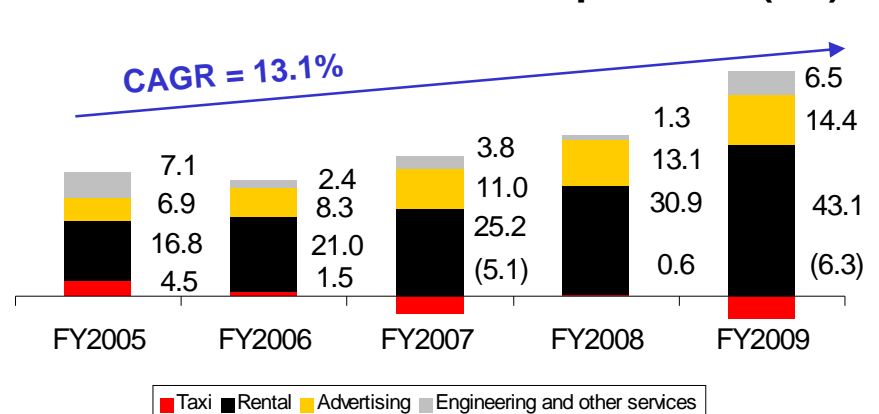
MRT: 70% of EBIT (FY09)

Non-fare Revenue (\$m)



Commercial: 9% of Revenue (FY09)

EBIT from Non-fare Operations (\$m)



Commercial: 30% of EBIT (FY09)

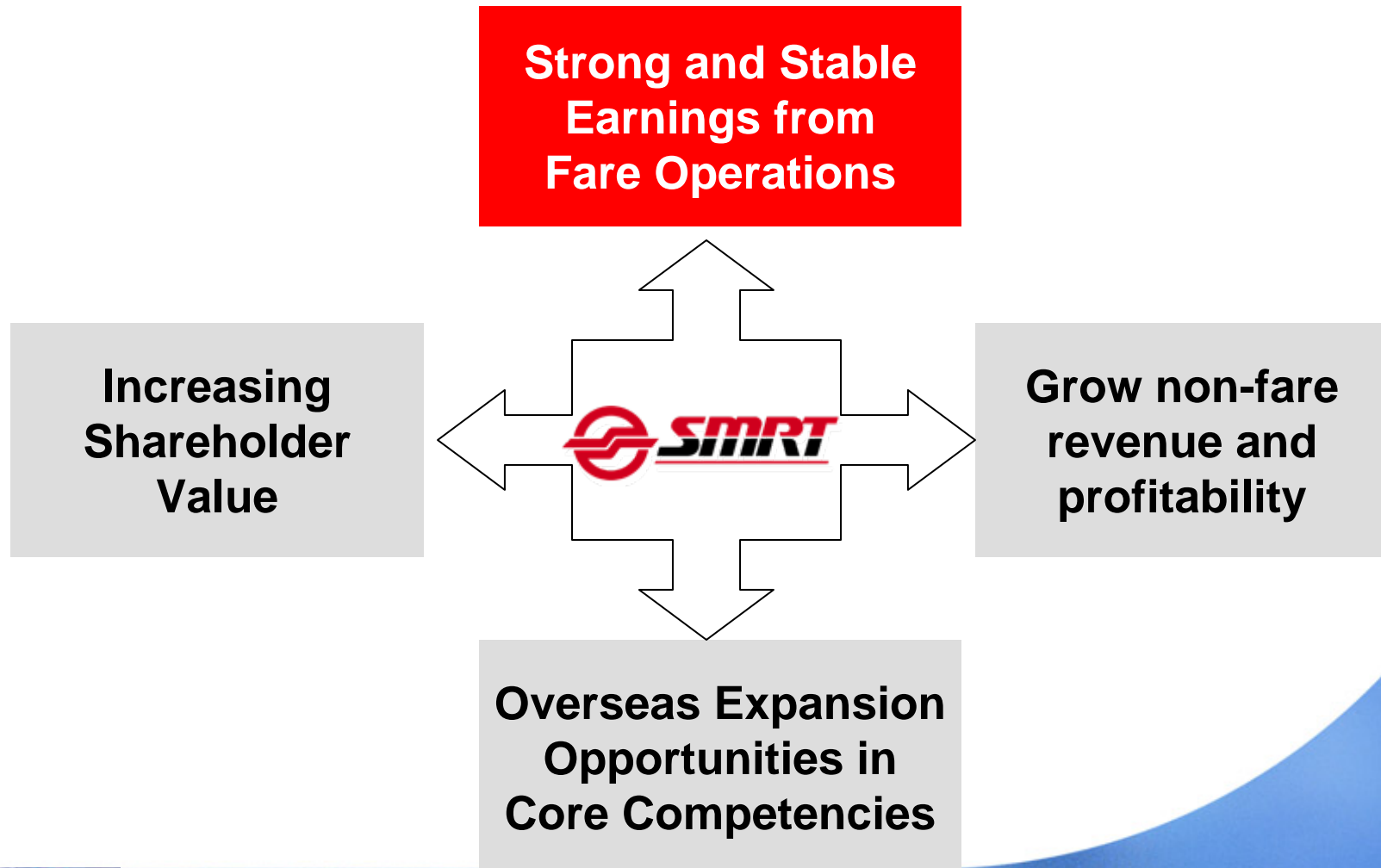


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Key Strategic Thrusts



SMRT Rail Network



Bukit Panjang LRT

Driverless System
7.8km, 19 Stations, 1 Depot
44K pax per day



93.2km, 53 Stations, 3 Depots
106 six-car electric trains
Max: 80km/h, Ave: 45km/h
Peak period: 2 – 4mins
1.4 mil passengers per day

North-South & East-West Line

NEL

Circle Line

Driverless System
35.7km, 31 Stations, 1 Underground Depot
40 three-car electric trains
Stage 3 to begin from May 2009

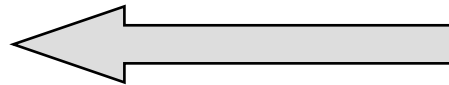
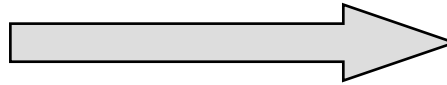


License and Operating Agreement (NS, EW lines)



- Owns **operating assets** including 106 trains, signaling system
- Maintains both operating and non-operating assets
- Complies with performance standards

Pays 1% license fee of fare revenue



Granted 10 + 30 yr contract ending in 2028

Land Transport Authority

- Owns **non-operating assets** including tunnels, tracks, stations

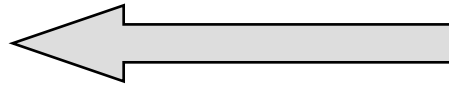
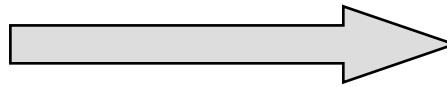


License and Operating Agreement (Circle line)

Pays 0.5% license fee of
fare and non-fare revenue



- Will own **operating assets** after ten years
- Maintains both operating and non-operating assets
- Complies with performance standards



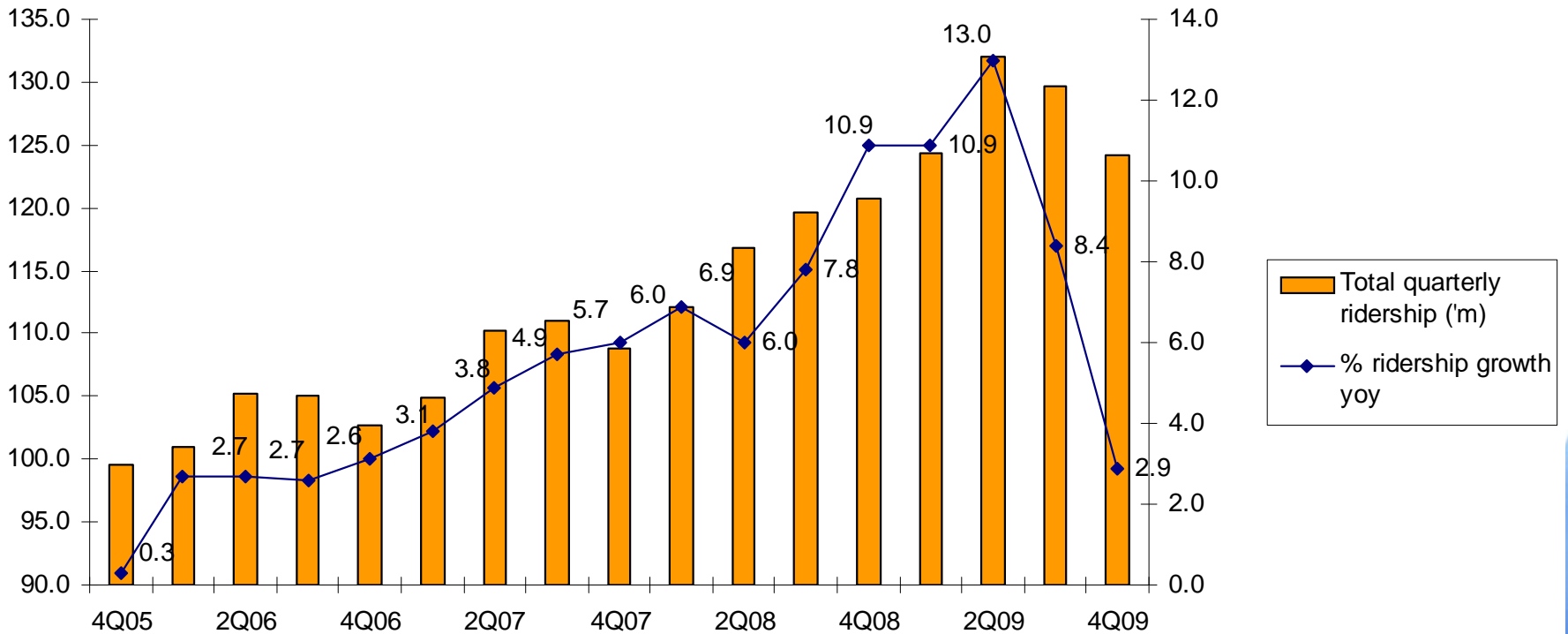
Land Transport Authority

- Owns **operating and non-operating assets**

10 + 30 yr license
effective from 4 May 2009



Ridership from Fare Operations

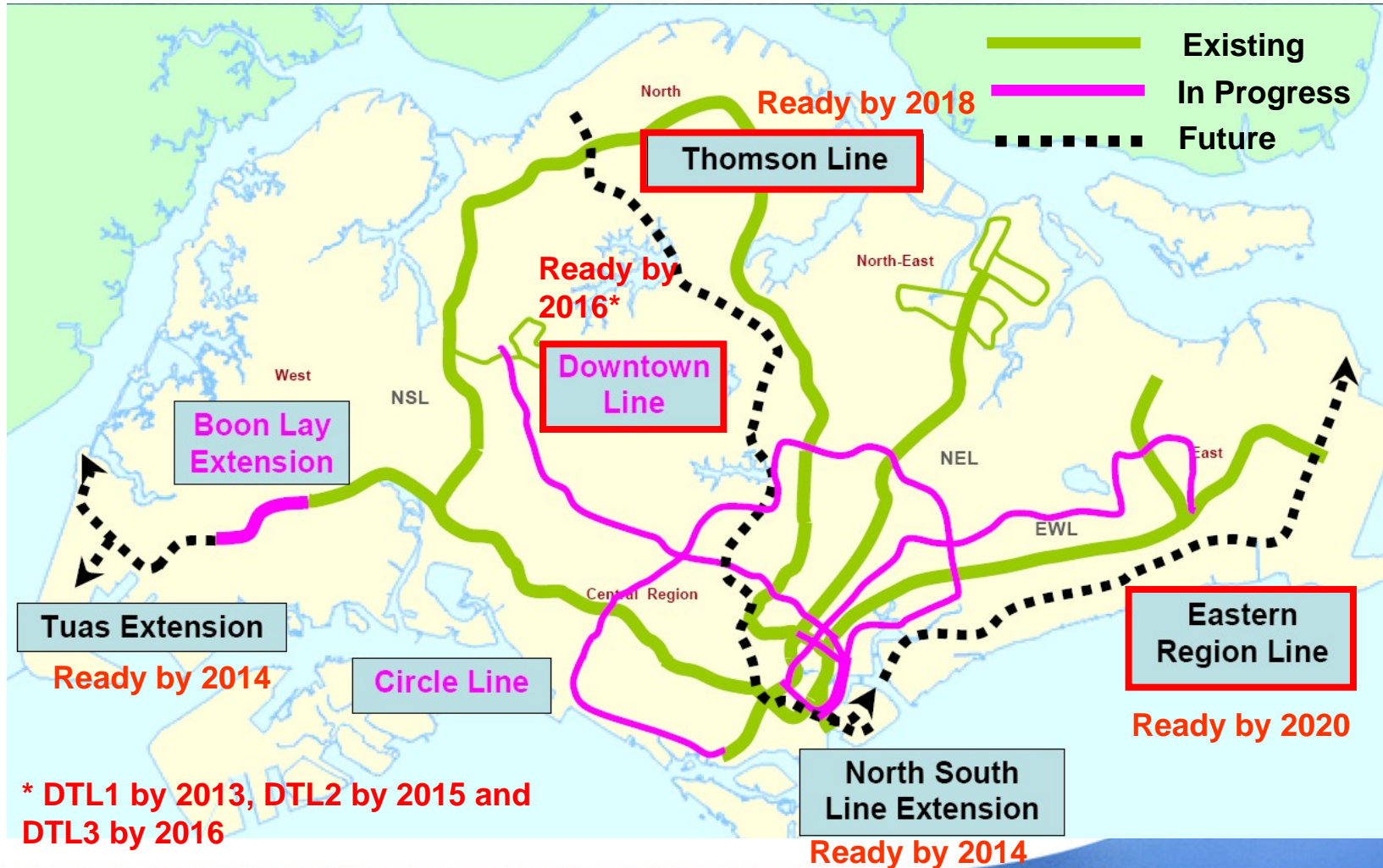


**Continued yoy increase in MRT Passenger Ridership
- Q4FY09 MRT ridership increased 2.9% yoy to 124m**



Capitalise on New Opportunities

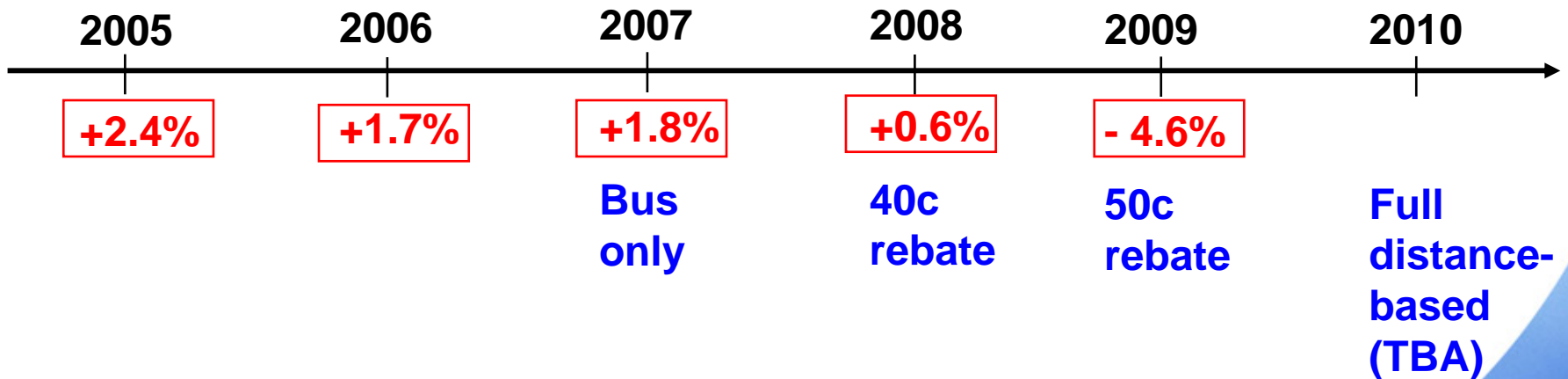
Three New MRT Lines



Fare Adjustment Formula

$$0.5 \times \text{CPI} + 0.5 \times \text{WI} - 1.5\%$$

where 1.5% is the productivity index valid for 3 years



Bus Network



Basic Bus Services

80 Bus Services
More than 890 buses
Bus ridership 288m, up 3.9%
7.8km, 14 Stations, 1 Depot



Premium & Chartered Bus Services

13 premium bus services
More than 66 buses and mini-buses



SMRT Buses: Areas of Responsibility

- Interchange
- Depot
- SMRT Bus Service Routes



Achieving Service Excellence

- Service Excellence
 - ‘Best Metro’
 - ‘Best Metro-Asia Pacific’
- Focus on customer experience
 - About 1000 more train runs per week
 - Estimated cost of \$6m per year
- Investments in transport network
 - Mid-life upgrade for 66 trains and more than 700 buses
 - Will purchase more than 130 buses



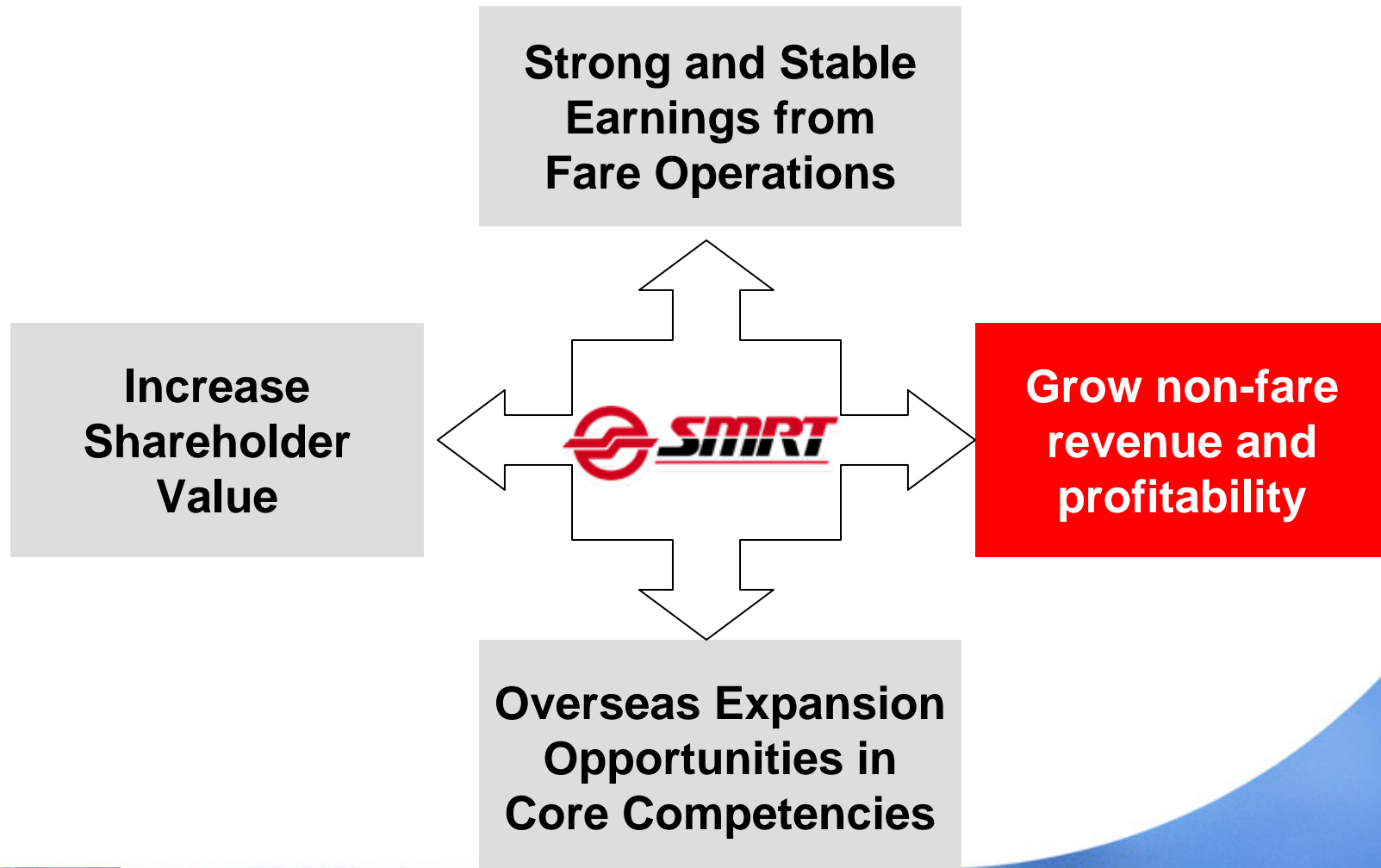
Fare Businesses (MRT / LRT / BUS)

	MRT			LRT			BUS		
	FY09	FY08	% chg	FY09	FY08	% chg	FY09	FY08	% chg
Avg. Daily Ridership ('000)	1,398	1,282	↑ 9.0	43.7	41.4	↑ 5.7	789.0	757.7	↑ 4.1
Average Fare (cents)	93.0	93.1	↓ 0.2	57.6	56.6	↑ 1.8	69.5	68.8	↑ 1.1
Revenue (\$m)	474.3	436.9	↑ 8.6	9.2	8.6	↑ 7.1	207.2	195.9	↑ 5.8
EBIT (\$m)	133.8	129.3	↑ 3.5	(0.2)	(0.4)	↑ 44.4	(4.5)	1.5	n.m

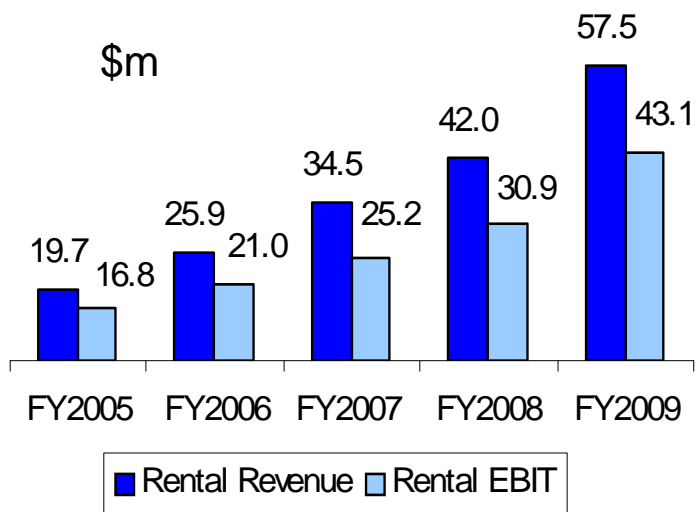
- MRT - higher ridership partially offset by higher staff and electricity cost
- LRT – lower operating loss due to ridership increase
- Bus – operating loss due to higher diesel cost



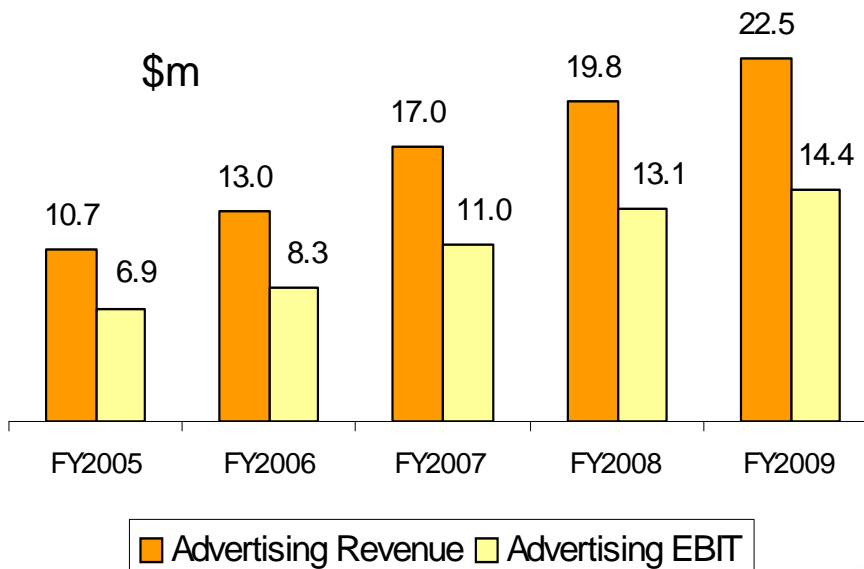
Key Strategic Thrusts



Growth in Rental and Advertising



Rental revenue 5-yr CAGR: 30.7%
Profits CAGR: 26.5%



Ad revenue 5-yr CAGR: 20.5%
Profits CAGR: 20.4%



Rental and Advertising

	Rental			Advertising		
	FY09	FY08	% chg	FY09	FY08	% chg
Revenue (\$m)	57.5	42.0	37.0	22.5	19.8	13.8
EBIT (\$m)	43.1	30.9	39.2	14.4	13.1	10.0

- **Rental**
 - Increased lettable space and higher yields
- **Advertising**
 - Increased advertising on stations, trains, buses and taxis



Rental and Advertising

- Rental strategy
 - FY10: Continue to renovate 5 more stations
 - FY11: Refurbish Xchanges at Orchard, Esplanade and Jurong East stations



- Advertising strategy
 - Clinched Dubai Metro's 10-yr media contract under consortium
 - Grow overseas revenue streams
 - Introduce new advertising panels and Plasma TVs in stations



Raffles Xchange



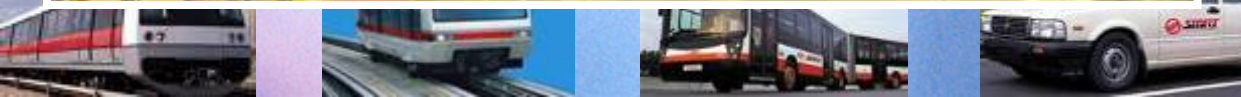
Then



raffles
xchange



Now



Tanjong Pagar Xchange

Then



Now



Choa Chu Kang Xchange

Then



Now



Showcase of the Shops within SMRT network



Advertising Campaigns – Visit Britain Concept Station (City Hall)



Advertising Campaigns

Snickers Campaign



Baron's Brew Campaign



Canon's Concept



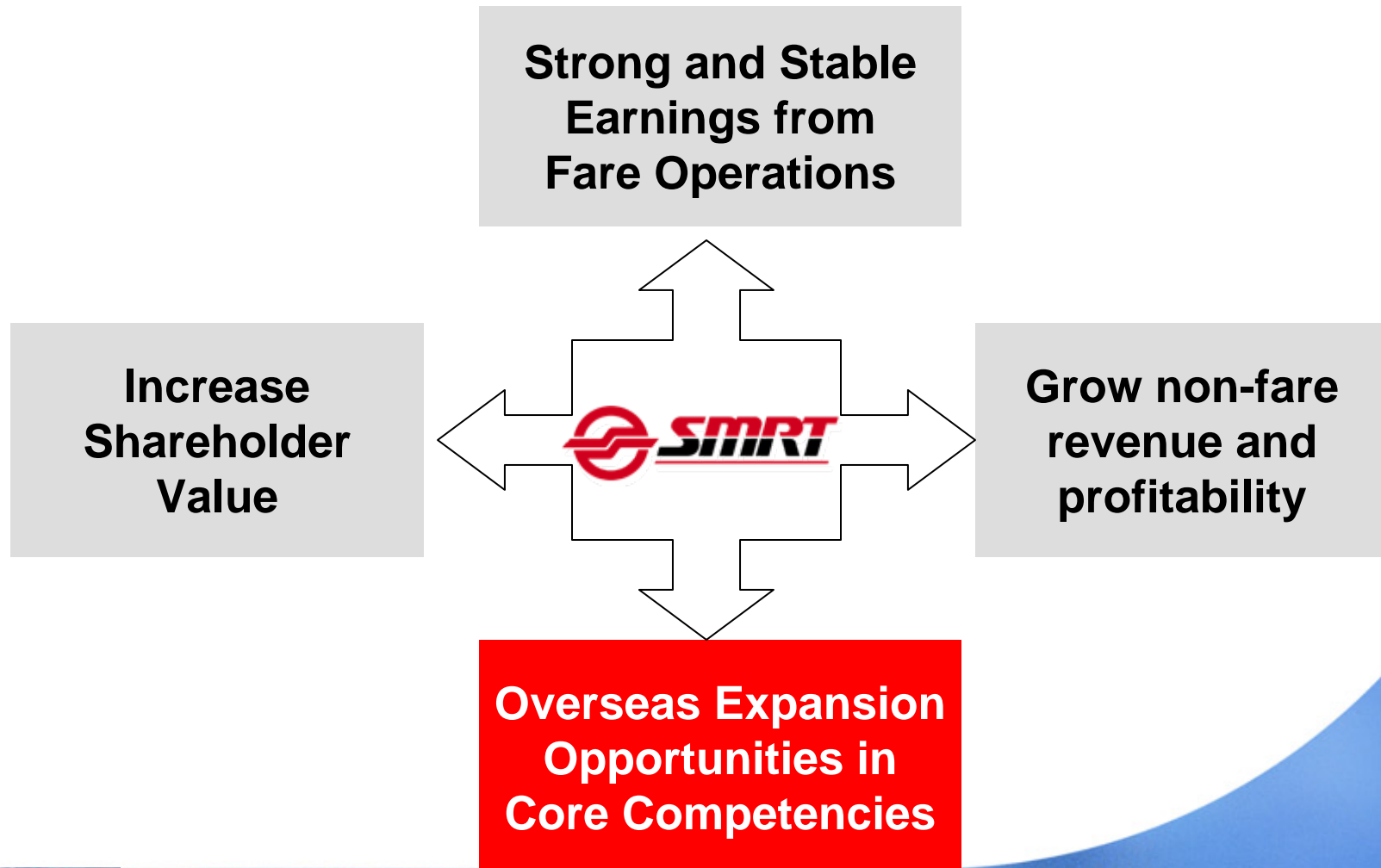
HSBC Women's Golf Champion



Ad Campaigns – Buses and Taxis



Key Strategic Thrusts



Engineering and Other Services and Taxi

	Engineering & Other Services			Taxi		
	FY09	FY08	% chg	FY09	FY08	% chg
Revenue (\$m)	36.5	23.5	54.9	71.7	75.4	4.9
EBIT (\$m)	6.5	1.3	n.m	(6.3)	0.6	n.m

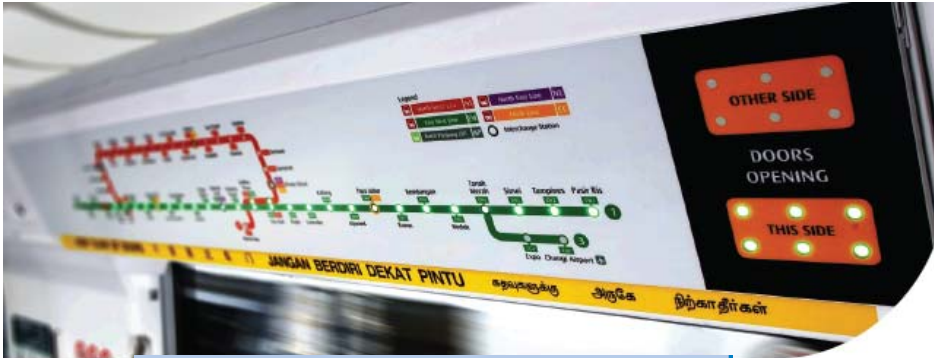
- **Engineering and Other Services**
 - Increased consultancy revenue and higher project management fees from Palm Jumeirah Project in Dubai
- **Taxi**
 - Higher loss on disposal of taxis



Palm Jumeirah Monorail



Operational Capability In-house Innovations



SMRT ACTIVE ROUTE-MAP
& INFORMATION SYSTEM



New Taxi Models



SMRT Limousine Counter at Changi Airport

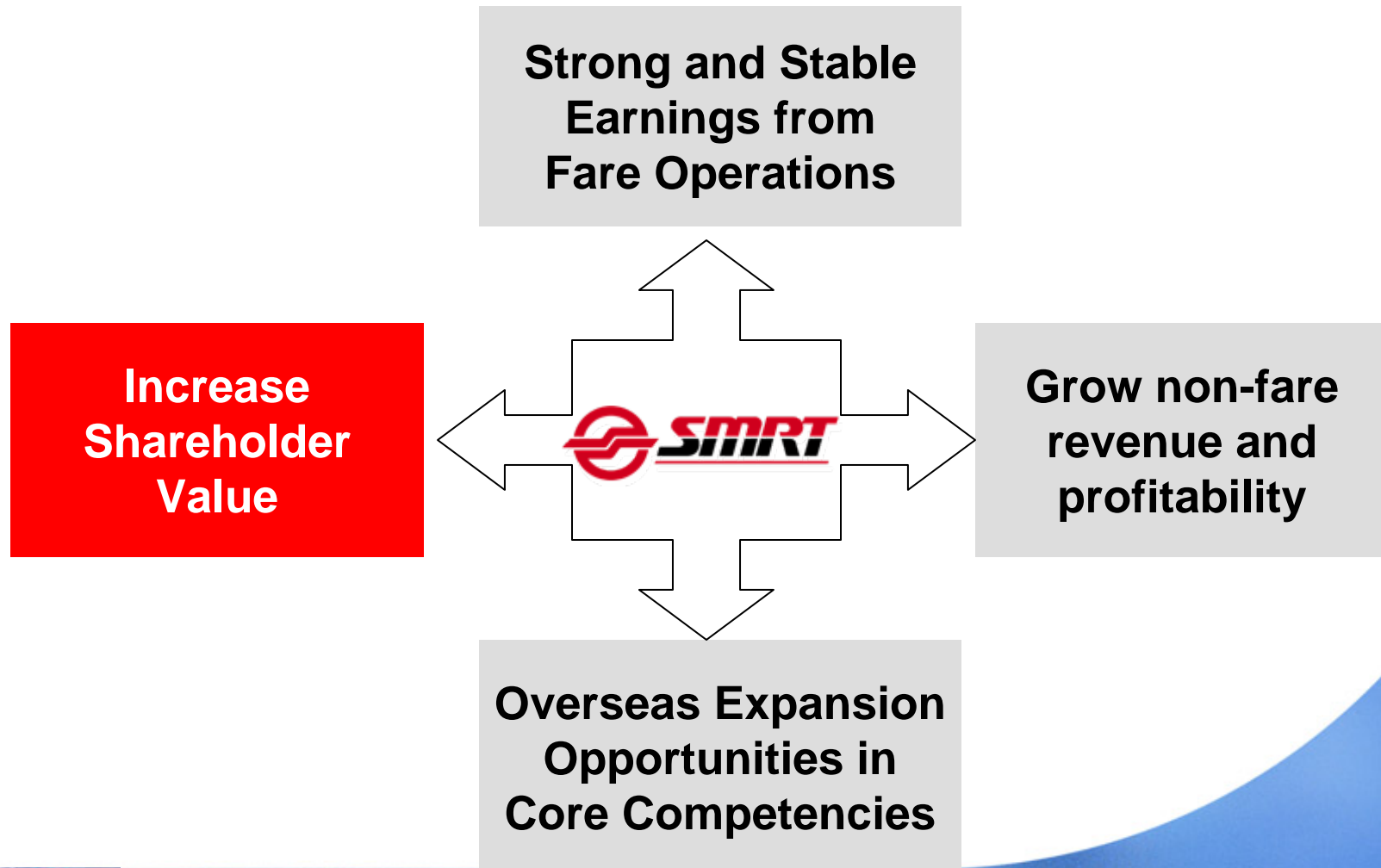


New and Improved Taxi Contact Centre

- New Contact Centre Booking System
 - Equipped with the latest technology in call booking
 - Improved efficiency in matching of demand and supply
 - Improved features to help drivers (e.g. Route Navigation)
- Renovated Contact Centre at Ang Mo Kio Depot



Key Strategic Thrusts

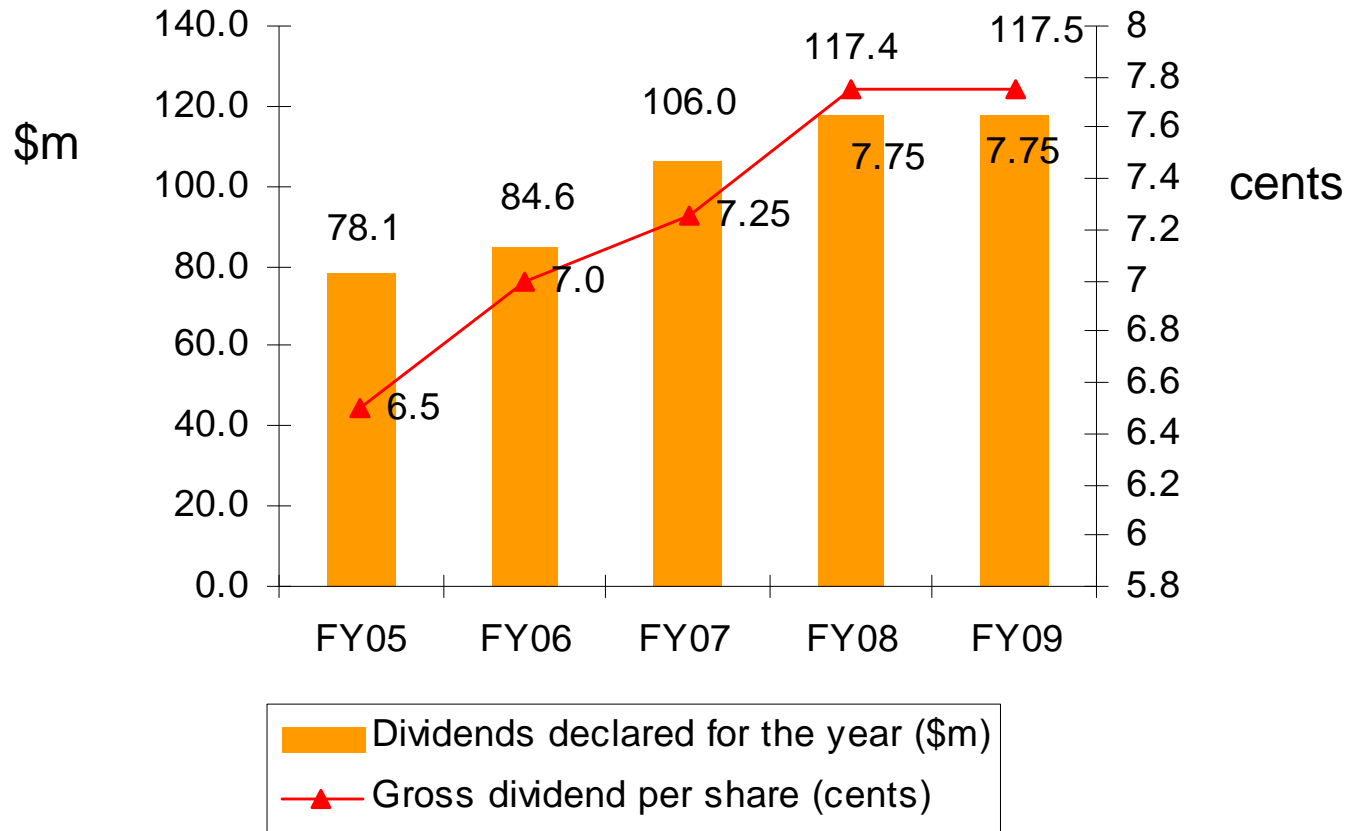


Approved Dividend Policy

- Endeavour to maintain or increase in terms of cents per share of dividend payout each year
- Endeavour to ensure a minimum payout ratio of 60% of PATMI per year for Interim and Final Ordinary Dividend
- In any particular financial year, may propose a special dividend to provide greater returns and yield
- Takes into account:
 - Long term objective of maximising shareholder value
 - Availability of cash and retained earnings
 - Expected financial performance
 - Projected capex and other investment plans



Increase Shareholder Value



CAGR of Dividends Declared (FY2005-2009) = 10.8%



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Business Outlook

- Revenue in 1QFY10 as compared to 1QFY09:
 - Fare revenue for Train and Bus is expected to be lower due mainly to reduction in rail and bus fares
 - Revenue from Rental is expected to be higher due mainly to increased space following the redevelopment of various MRT stations
 - Advertising revenue is expected to be lower



Business Outlook

- Operating costs expected to be higher in 1QFY10 as compared to 1QFY09 due mainly to:
 - More Repairs & maintenance costs
 - Higher staff and related cost due to increased headcount with the commencement of Circle Line Stage 3, increased train runs and recruitment of bus service leaders
- Outlook for Taxi is expected to remain challenging for next 12 months. However, its operating performance is expected to be better in 1QFY10

