SMRT CORPORATION LTD

Credit Suisse
Asian Investment Conference
March 2010

Investor Presentation

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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 4QFY10
- Q&A




Corporate Profile

Fare Businesses

MRT

LRT

Buses

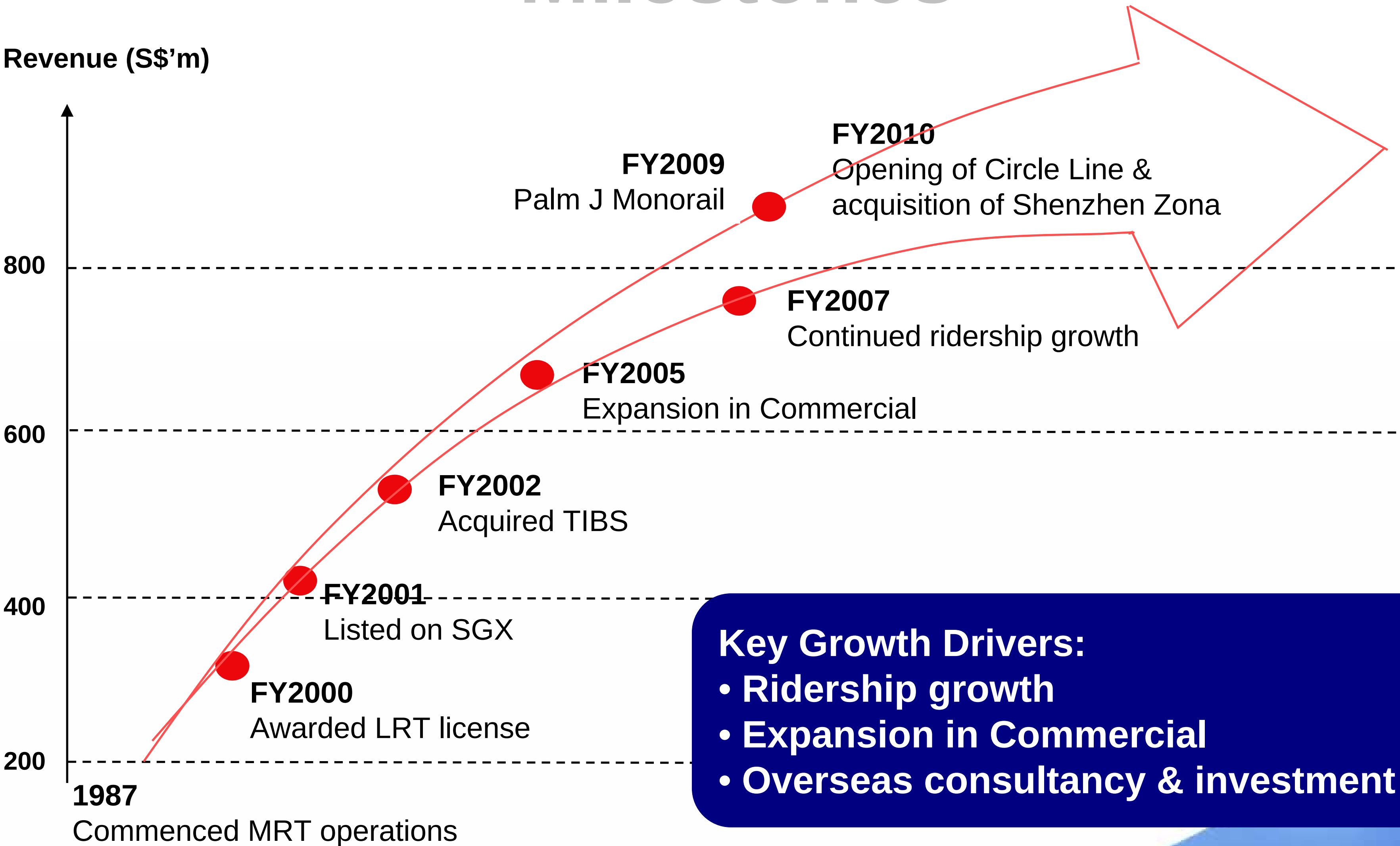
Non-fare Businesses

Taxi

Retail & Advertising

Engineering Consultancy & Services

Milestones



Key Growth Drivers:
- **Ridership growth**
- **Expansion in Commercial**
- **Overseas consultancy & investment**

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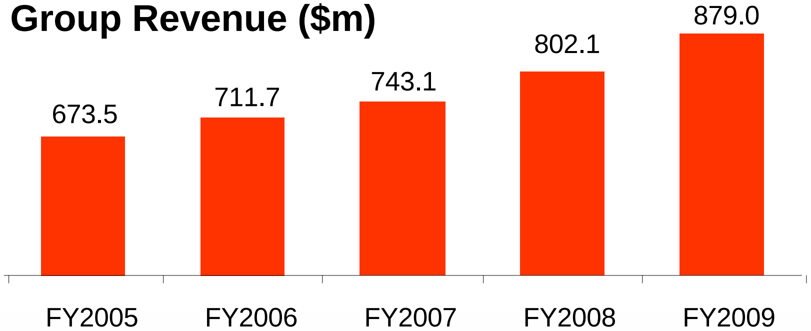
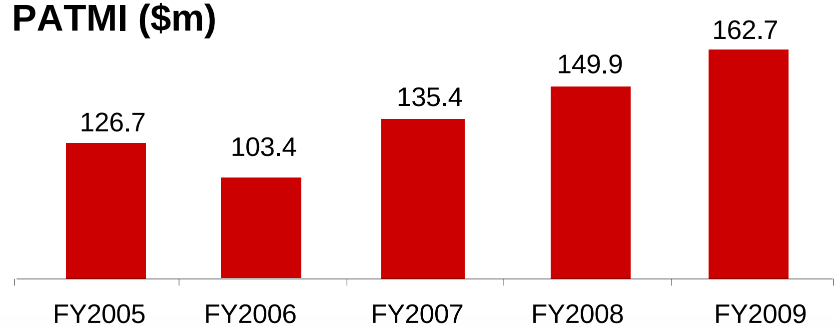
Financial Performance (FY05 to FY09)

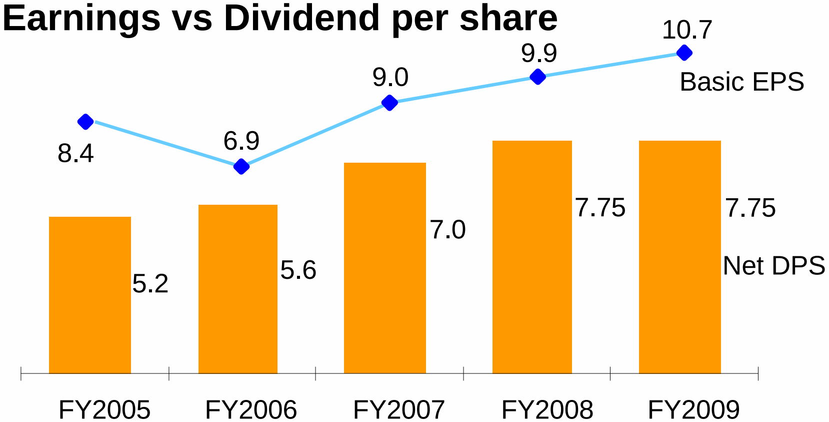
Group Revenue ($m)



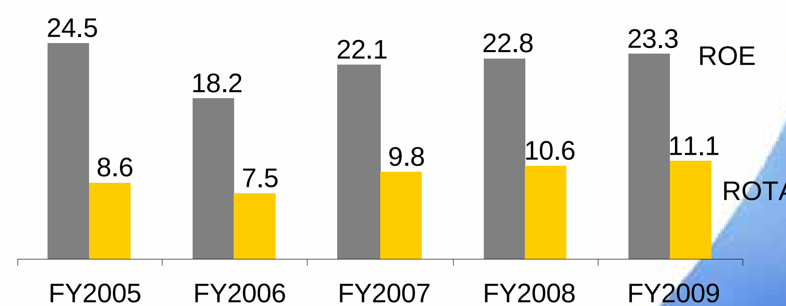
PATMI ($m)



Earnings vs Dividend per share



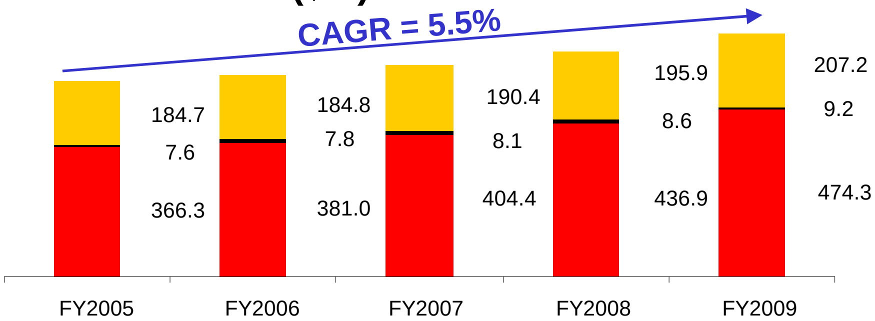
ROE vs ROTA (%)



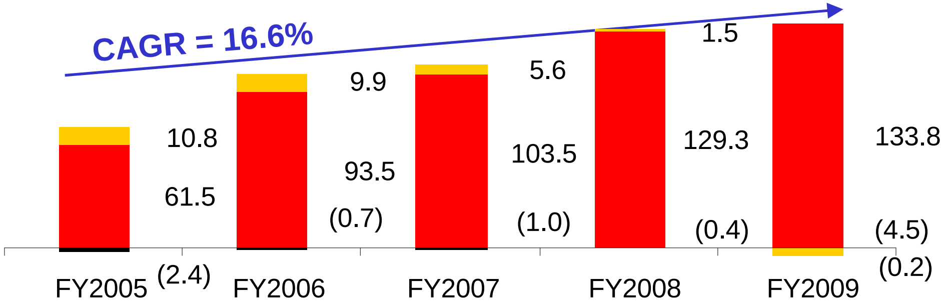
Growth in revenue and profits over 5 years

Segmental Performance

Fare Revenue ($m)

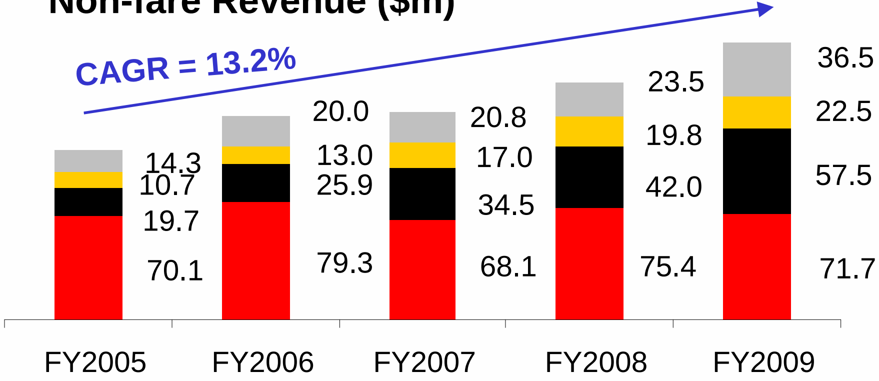


EBIT from Fare Operations ($m)

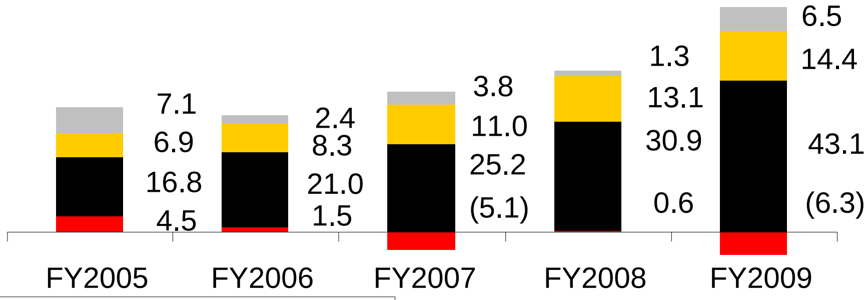


MRT LRT Bus

Non-fare Revenue ($m)



EBIT from Non-fare Operations ($m)



Taxi Rental Advertising Engineering and other services

MRT: About 60% of FY09 Revenue and 70% EBIT
Commercial: 9% FY09 Revenue and 30% EBIT




SMRT

Group Highlights YTDFY10

Group revenue	$670.0 m	↑ 1%
Operating profit	$170.2 m	↑ 13%
Profit after tax	$140.2 m	↑ 13%
Basic EPS	9.2 cents	↑ 13%
EVA	$109.0 m	↑ 21%

13% increase in PAT mainly attributed to increased revenue, higher other operating income and lower energy costs.




Contents




Key Strategic Thrusts

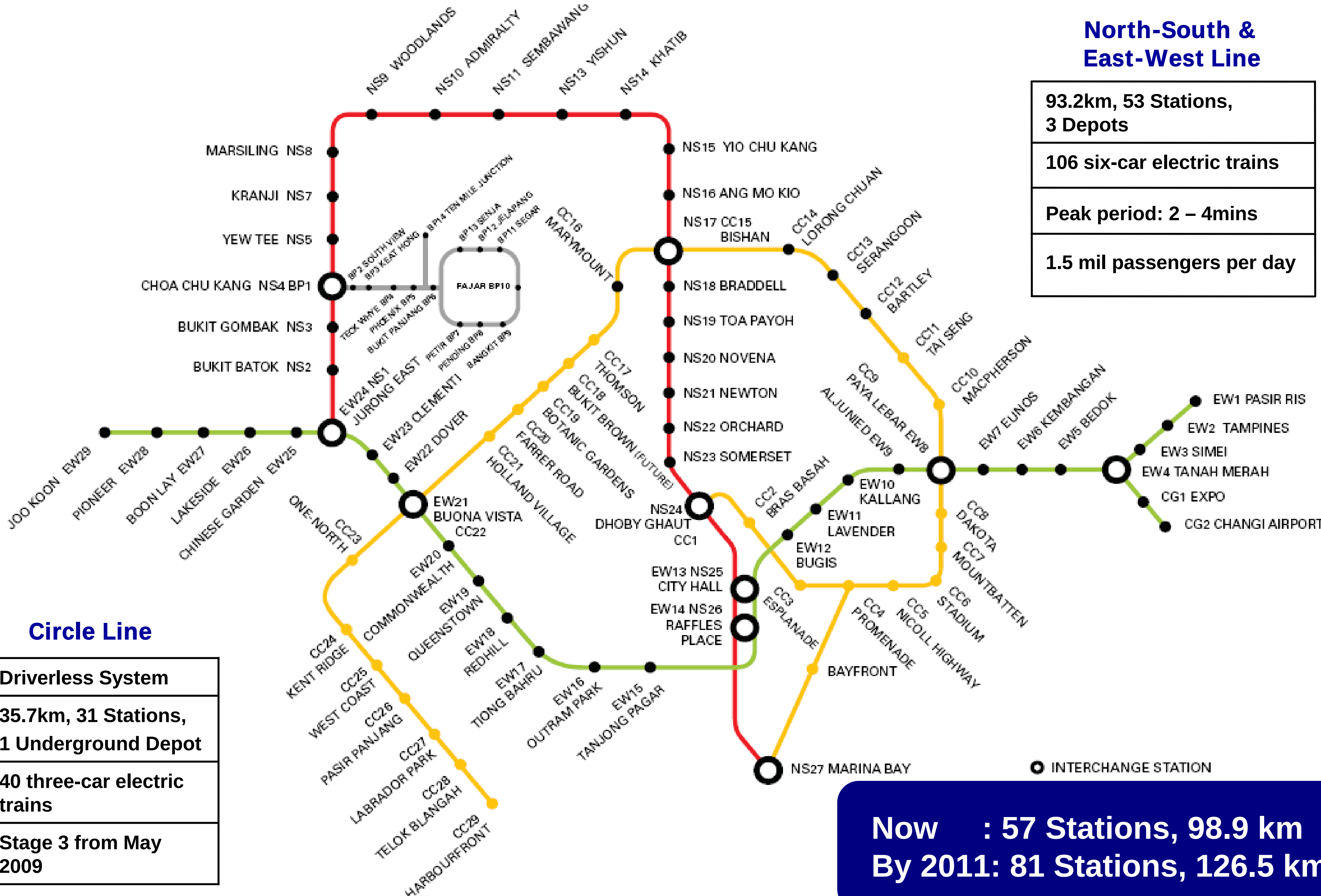
Strong and Stable Earnings from Fare Operations

Increasing Shareholder Value

Grow non-fare revenue and profitability

Overseas Expansion Opportunities in Core Competencies

SMRT MRT Network



North-South & East-West Line

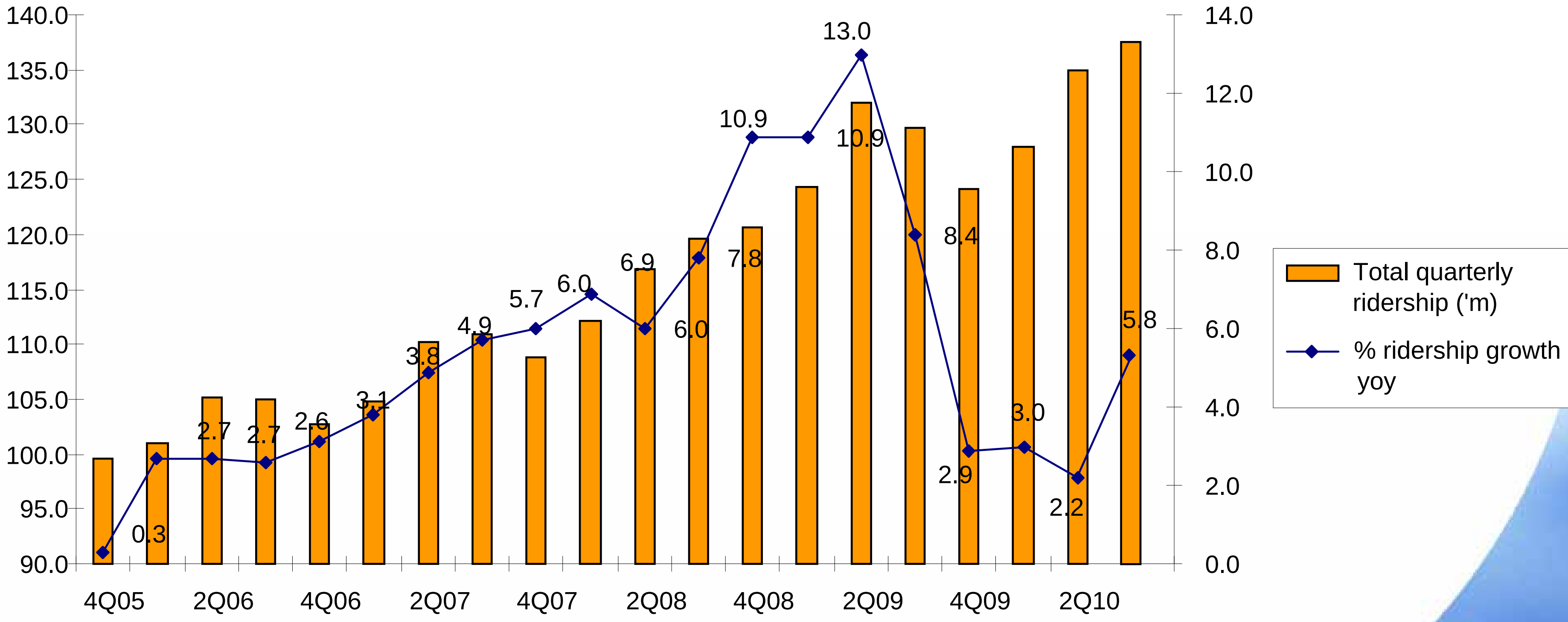
93.2km, 53 Stations, 3 Depots
106 six-car electric trains
Peak period: 2 – 4mins
1.5 mil passengers per day

Circle Line

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

Now : 57 Stations, 98.9 km
By 2011: 81 Stations, 126.5 km

MRT Ridership Growth Continues



YTDFY10 MRT ridership increased 3.7% yoy

License and Operating Agreement (NS, EW lines)

Pays 1% license fee of fare revenue

SMRT

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

Land Transport Authority

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

Granted 10 + 30 yr contract ending in 2028




License and Operating Agreement (Circle line)

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

10 + 30 yr license effective from 4 May 2009

SMRT:

- 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**

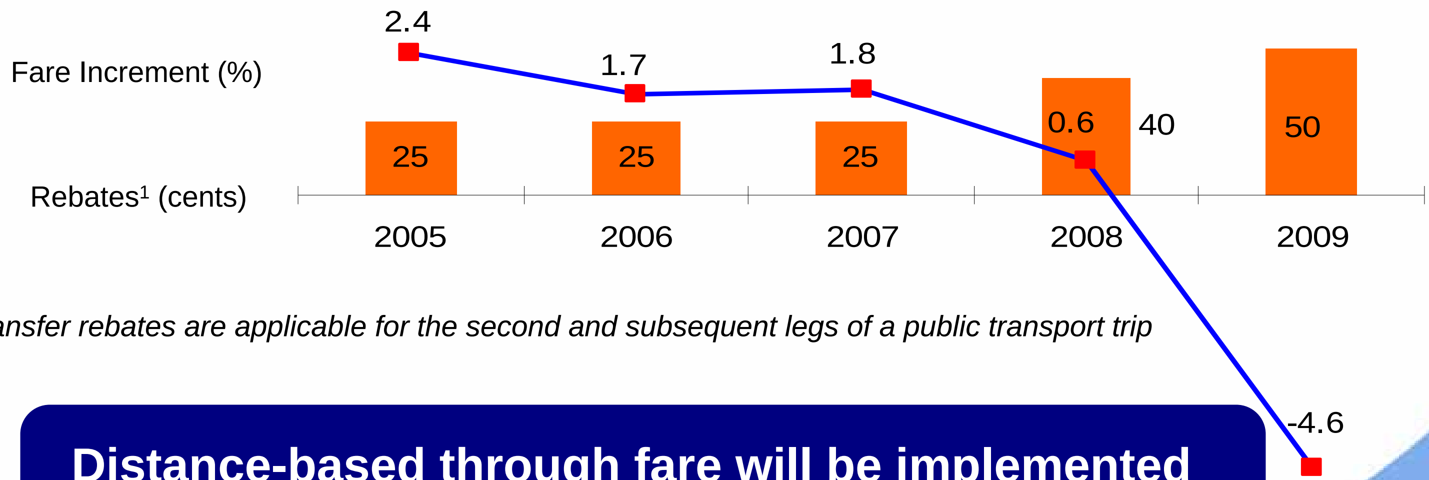



Regulated Fare Adjustments

Formula to yield maximum fare adjustment for the year:

$$0.5 \times CPI + 0.5 \times WI - 1.5\%$$

where 1.5% is the productivity index valid for 3 years;
CPI is Consumer Price Index and WI is Wage Index

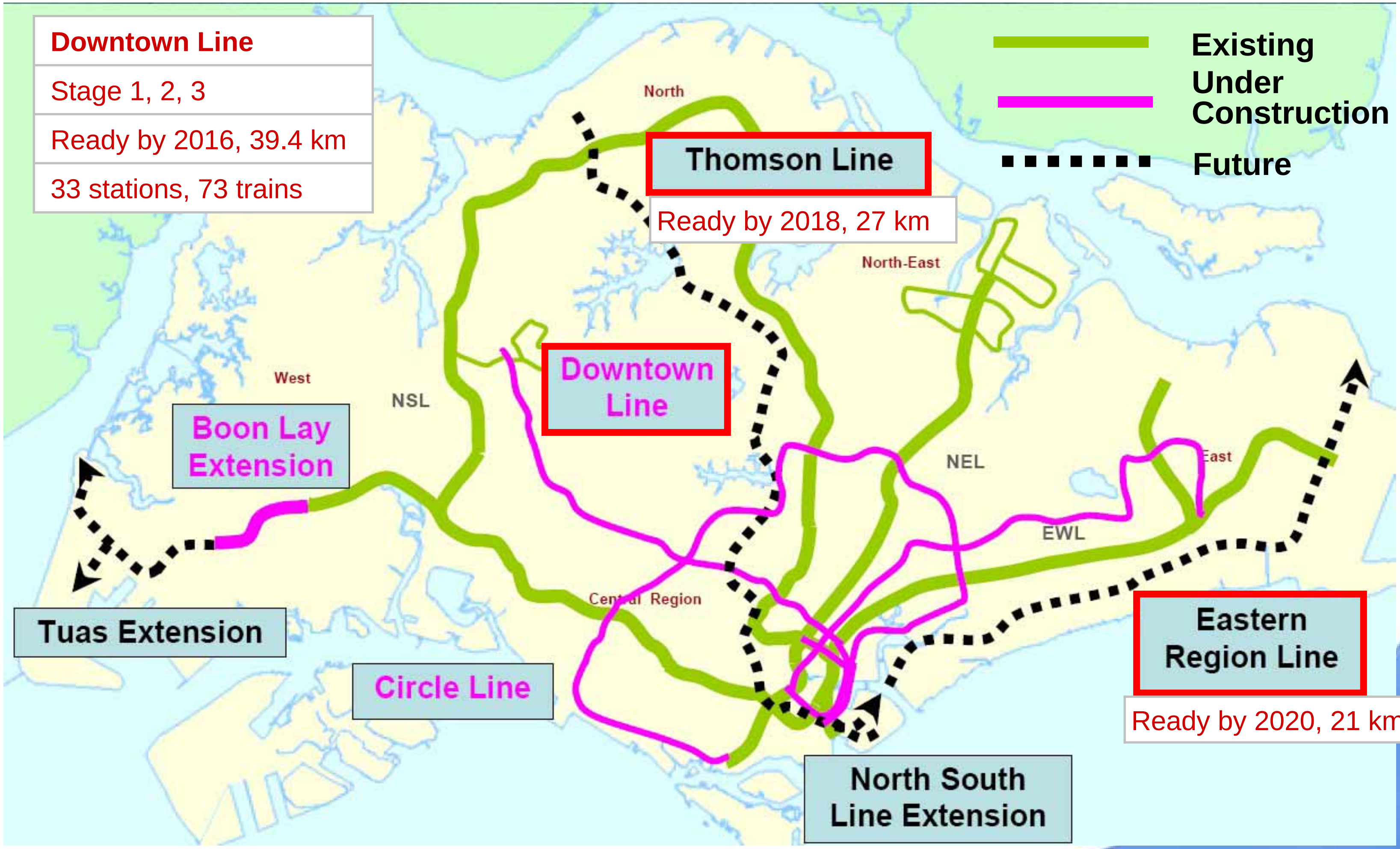


[1] *Transfer rebates are applicable for the second and subsequent legs of a public transport trip*

Distance-based through fare will be implemented in 2010 and further details will be announced




Capitalise on New Opportunities
Three New MRT Lines

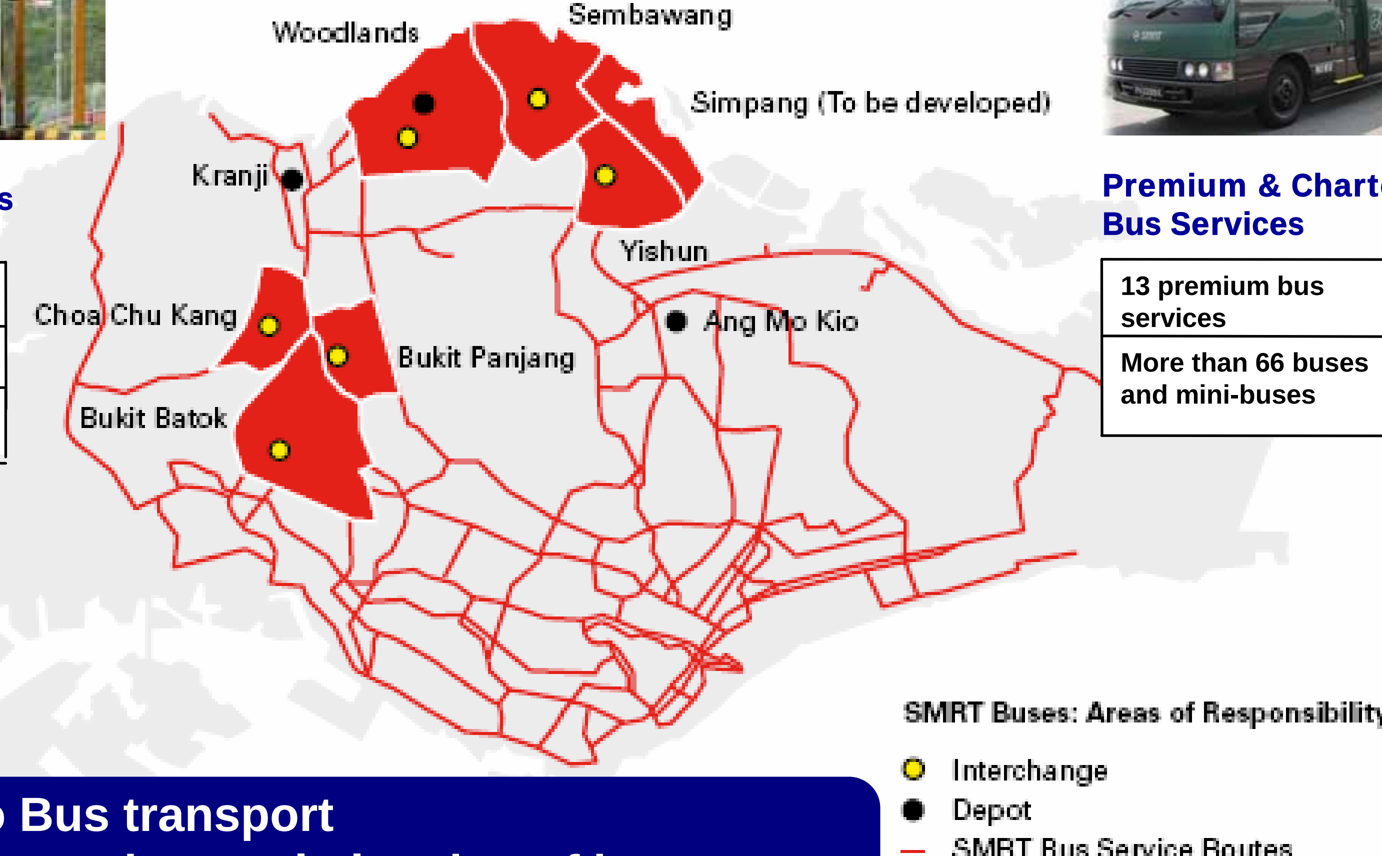





Bus Network

Basic Bus Services

80 Bus Services
More than 890 buses
Bus ridership 288m, up 3.9%



Premium & Chartered Bus Services

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

Changes to Bus transport

- LTA has started central planning of bus routes
- Bus services will also be tendered out




Fare Businesses (Train / LRT / Bus)

	Train			LRT			Bus		
	YTD10	YTD09	% chg	YTD10	YTD09	% chg	YTD10	YTD09	% chg
Avg. Daily Ridership ('000)	1,456	1,404	4%	44.0	43.5	1%	786.3	786.7	0.1%
Average Fare (cents)	89.4	92.8	4%	53.6	57.2	6%	65.3	69.5	6%
Revenue ($m)	360.7	358.1	1%	6.5	6.8	5%	148.8	155.7	4%
EBIT ($m)	112.6	104.2	8%	0.1	(0.0)	-	1.1	(5.9)	119%

- Higher train operating profit due mainly to higher revenue and other operating income partially offset by higher costs
- Bus operating profit due mainly to lower diesel cost, partially offset by lower revenue from lower average fare and higher R&M costs

Key Strategic Thrusts

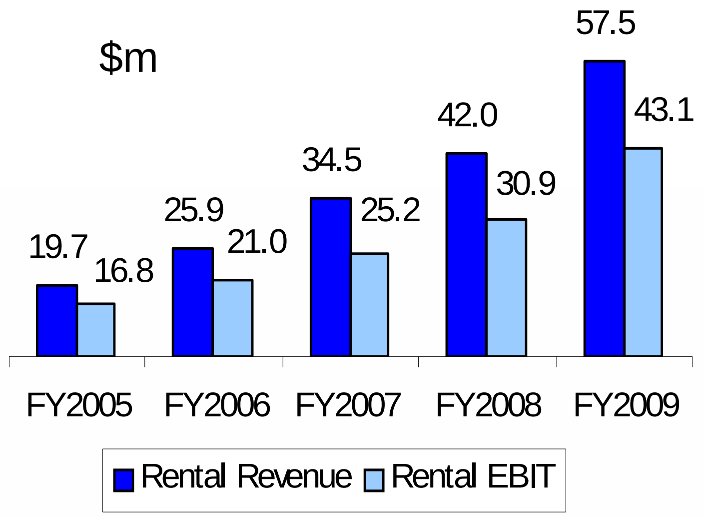
Strong and Stable Earnings from Fare Operations

Increase Shareholder Value

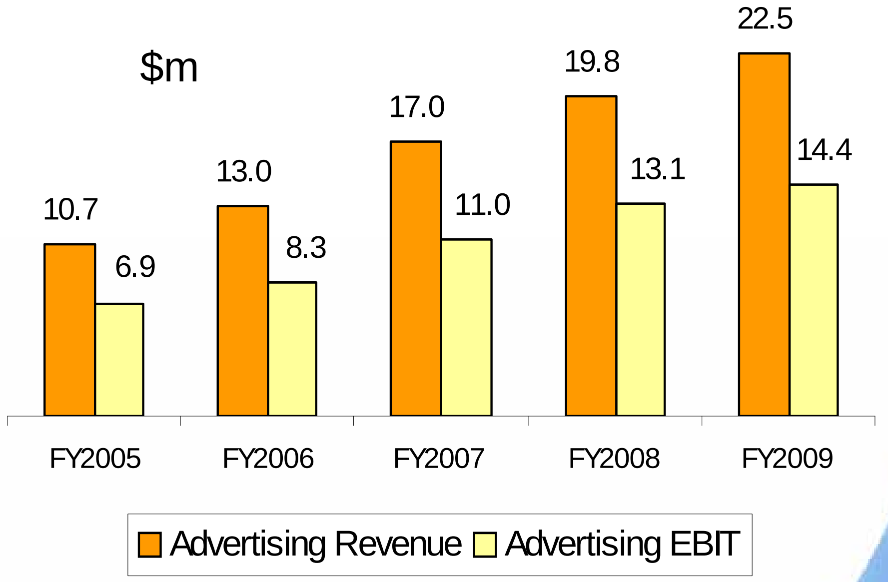
Grow non-fare revenue and profitability

Overseas Expansion Opportunities in Core Competencies

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%

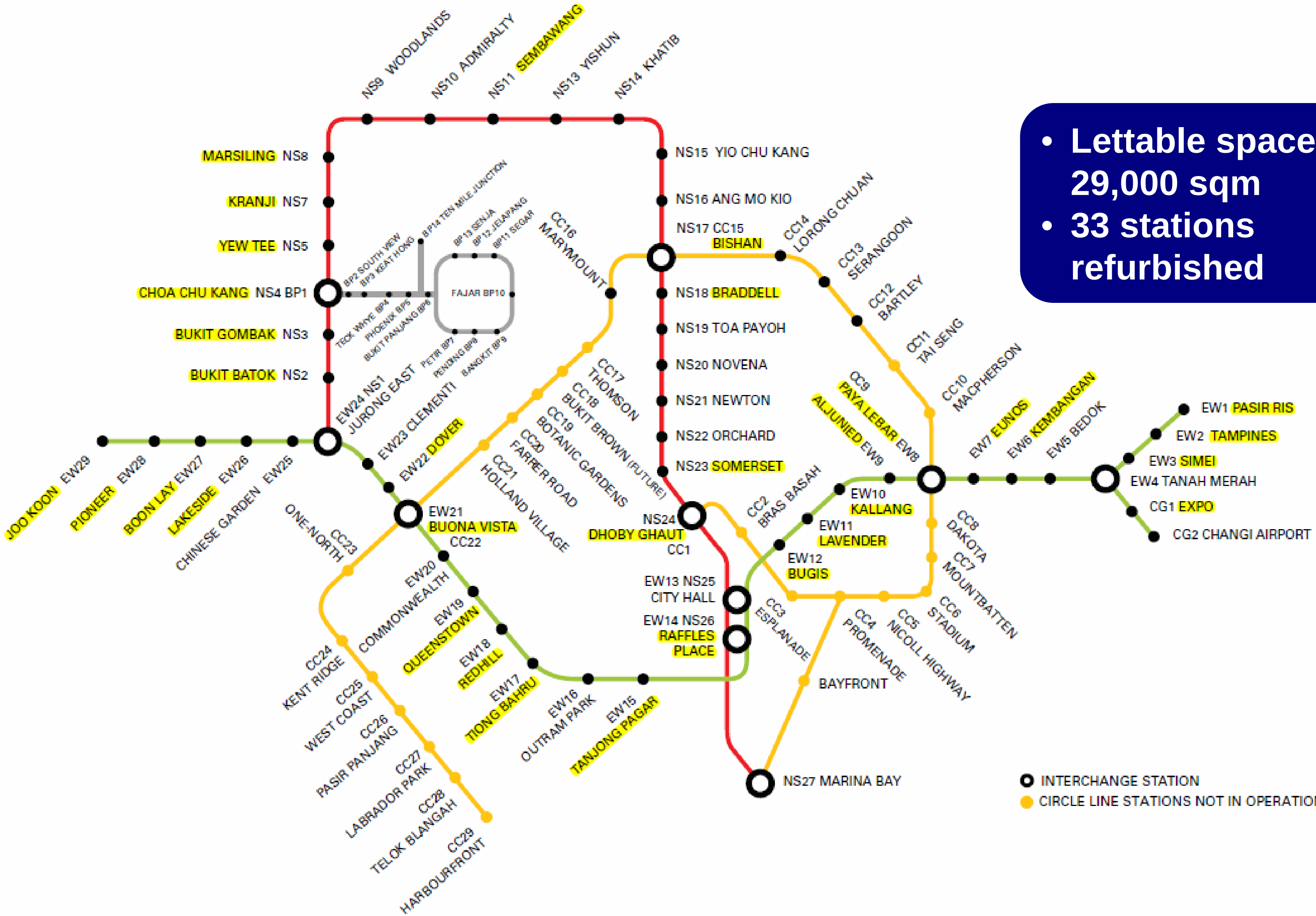
Rental and Advertising

	Rental			Advertising		
	YTD10	YTD09	% chg	YTD10	YTD09	% chg
Average lettable space (sqm)	29,028	26,674	9%	-	-	-
Revenue ($m)	48.4	42.6	14%	16.9	17.5	4%
EBIT ($m)	38.5	34.2	12%	11.2	11.8	5%

- **Higher rental operating profit due to better yield and increased lettable space**
- **Lower advertising operating profit due mainly to weak economic environment**




SMRT's Retail Presence



- **Lettable space 29,000 sqm**
- **33 stations refurbished**

Existing Xchanges

Raffles Xchange
2,600 sqm

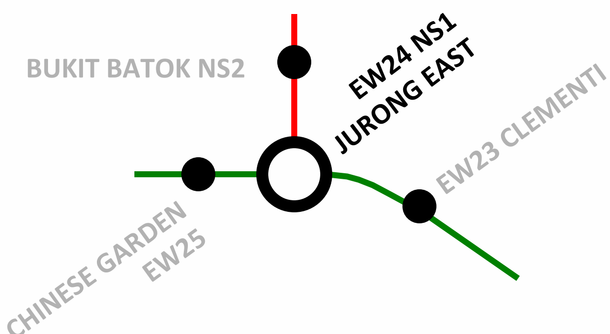
Choa Chu Kang Xchange
1,000 sqm

- **Total 5 Xchanges with lettable space of 8,000 sqm**
- **Each provides lifestyle convenience with a wide range of choices such as fashion outlets, convenience stores, banking services and F&B outlets**

New Xchanges

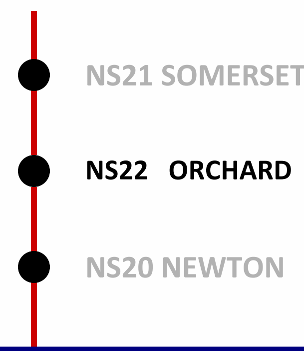
Jurong East Xchange

2,500 sqm



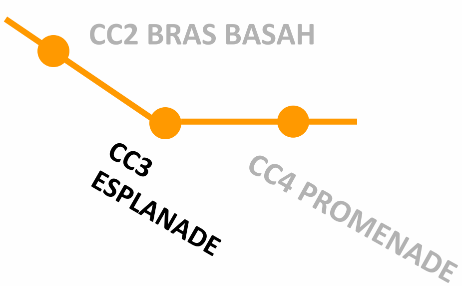
Orchard Xchange

1,600 sqm



Esplanade Xchange

2,000 sqm



3 Xchanges expected to be ready by FY11 and FY12

MRT Advertising Campaigns
AIA




Advertising Campaigns

Yeo's

Snickers

Ad Campaigns – Buses and Taxis

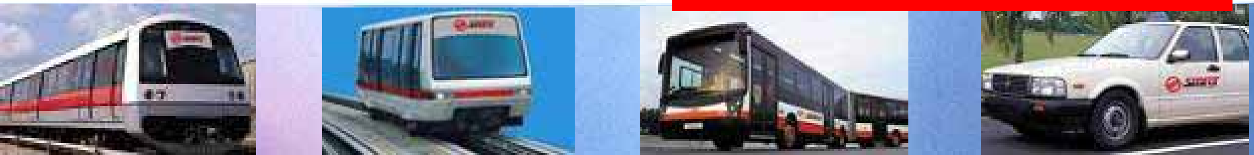
Key Strategic Thrusts

Strong and Stable Earnings from Fare Operations

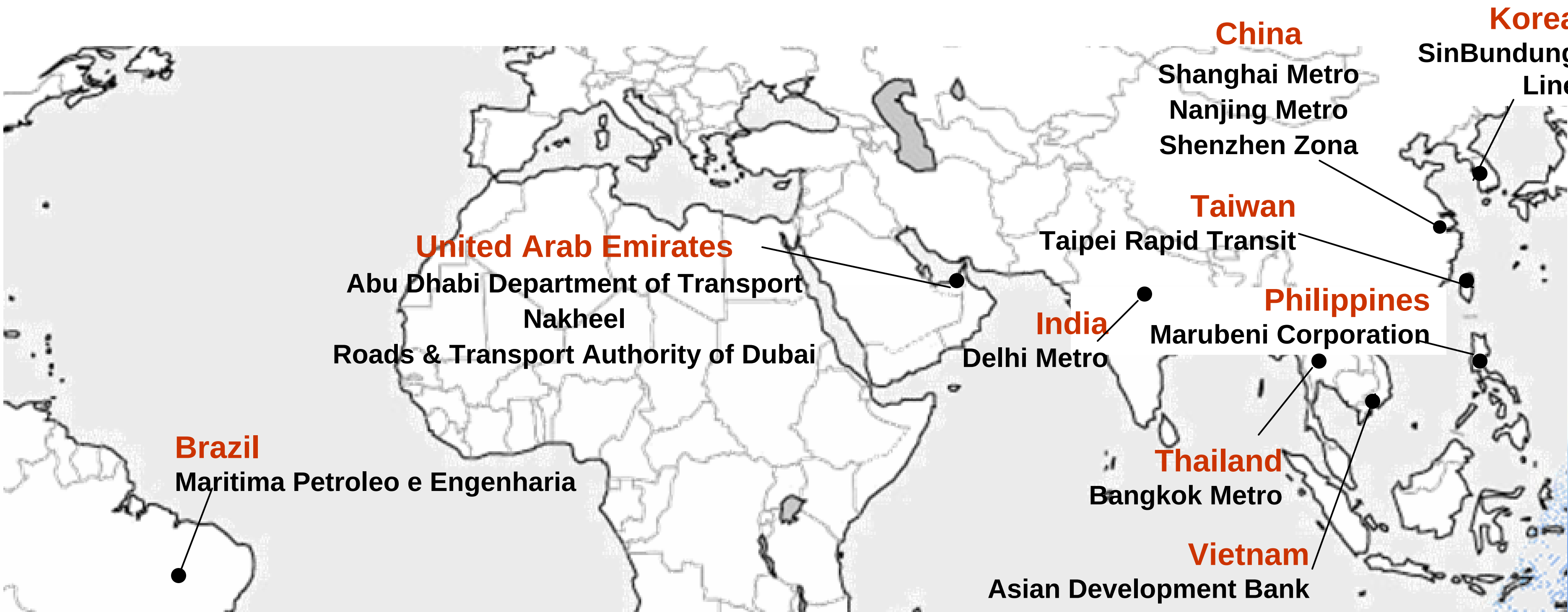
Increase Shareholder Value

Grow non-fare revenue and profitability

Overseas Expansion Opportunities in Core Competencies



Growing Overseas Presence



- **Provides consultancy, project management and O&M services to transport operators and government authorities**




Engineering and Other Services

	YTD10	YTD09	% chg
Revenue ($m)	35.2	26.6	32%
EBIT ($m)	10.4	3.9	164%

- Higher Engineering & Other Services EBIT due mainly to increased contribution from consultancy & overseas projects



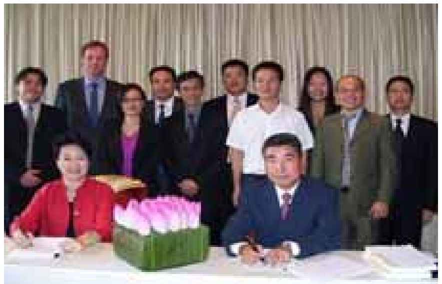

Equity Investment in SZ Zona

- Acquired 49% equity interest in Shenzhen Zona for RMB 320m
- Shenzhen Zona is one of the leading transport operators in Shenzhen
- High growth potential in all segments
- Public bus - secured Shenzhen's Municipal Government's approval to be appointed bus operator in growing BaoAn district

SMRT

Financial Highlights on Shenzhen Zona

Signing Ceremony



Long Haul Bus: 78

Taxi: 830

Bus: 803

Chartered and Tourist buses: 142

Leased Cars: 260

(RMB' m)	2008
Revenue	455.2
EBITDA	159.6
PAT	24.1

% Contribution	Revenue	EBITDA
Public Bus	36%	30%
Taxi	29%	52%
Long Haul	14%	8%
Car Leasing	4%	6%
Others	17%	4%

- Zona's profit after tax in CY2010 and CY2011 at least more than double
- Expect Zona's profit contribution to be material in 5 years' time

Taxi Businesses

	YTD10	YTD09	% chg
Number of taxis	2,582	2,934	12%
Revenue ($m)	53.4	54.7	2%
EBIT ($m)	2.8	(2.0)	239%

Hyundai Azera (CNG)

Chrysler (Euro IV)

- Higher Taxi EBIT due mainly to lower expenses from smaller average holding fleet and improved hired-out rates
- Taxi strategy - Focus on niche market segments

Key Strategic Thrusts

Strong and Stable Earnings from Fare Operations

Increase Shareholder Value

SMRT

Grow non-fare revenue and profitability

Overseas Expansion Opportunities in Core Competencies

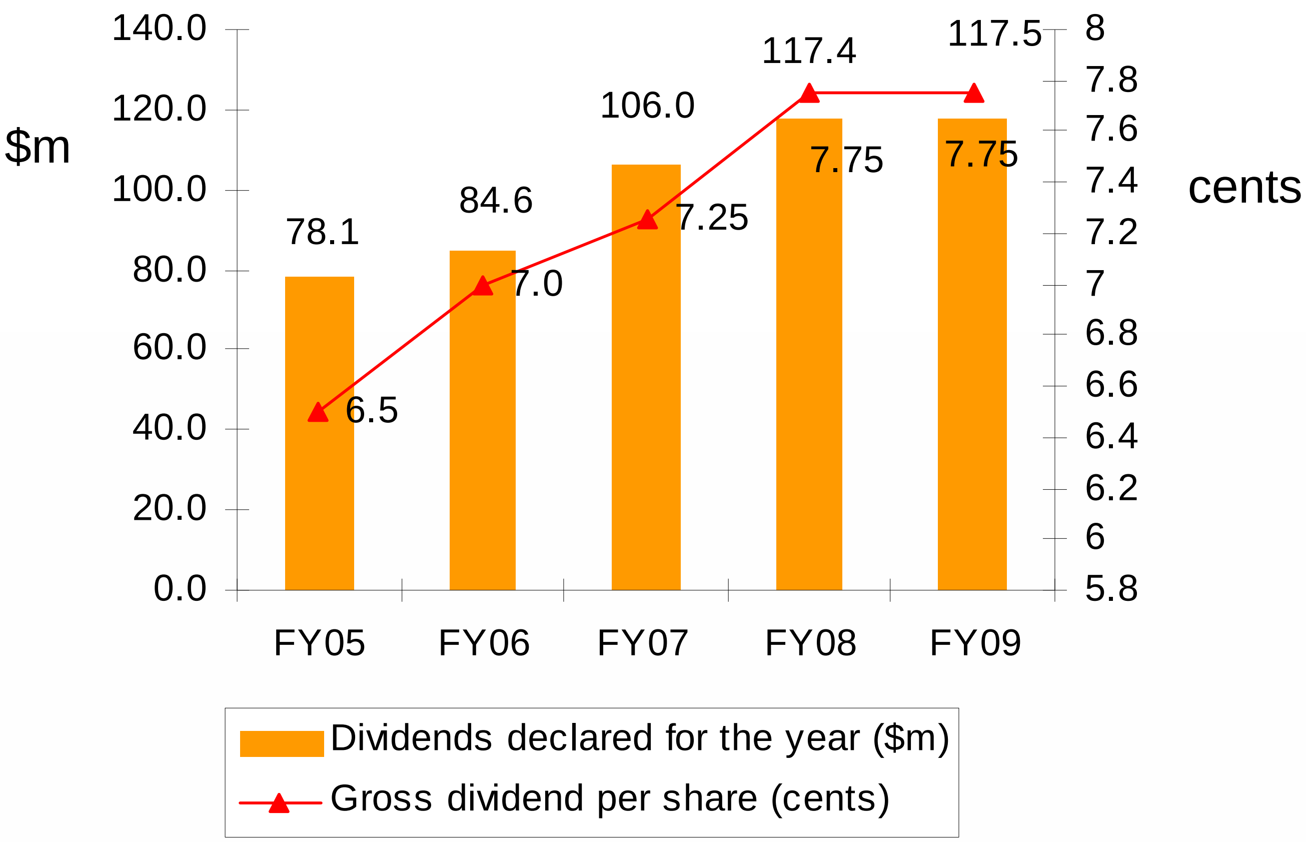



Approved Dividend Policy

- 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

		4QFY10 as compared to 4QFY09
<u>Group revenue</u>	↑	
Fare Revenue	↑	Higher Train ridership, partially offset by fare reduction and increase in transfer rebates
Non-fare Revenue	↑	Higher fees from overseas projects
<u>Group Operating Expenses</u>	↑	
R&M expenses	↑	More scheduled R&M
CCL Ramp up cost	↑	Progressive opening of remaining CCL stations
Staff Cost	↑	Operation of CCL Stage 3, recruitment of bus service leaders and increased train runs




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