

SMRT CORPORATION LTD

(Company Registration No: 200001855H)

Results for the Third Quarter ended 31 December 2015

The Directors of SMRT Corporation Ltd wish to announce the unaudited results of the Group for the third quarter ended 31 December 2015 (“3Q FY2016”) and for the period 1 April 2015 to 31 December 2015 (“YTD FY2016”).

1(a)(i) CONSOLIDATED INCOME STATEMENT

	The Group					
	Oct - Dec 2015	Oct - Dec 2014	Increase/ (Decrease)	Apr - Dec 2015	Apr - Dec 2014	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	327,555	313,191	4.6	976,616	924,322	5.7
- Rail	172,451	164,154	5.1	514,938	492,232	4.6
- Bus	62,828	59,086	6.3	187,433	177,878	5.4
- Non-Fare	92,276	89,951	2.6	274,245	254,212	7.9
Other operating income	20,895	13,723	52.3	54,533	38,693	40.9
	348,450	326,914	6.6	1,031,149	963,015	7.1
Staff costs	(128,479)	(120,317)	6.8	(388,713)	(362,353)	7.3
Depreciation of property, plant and equipment	(52,984)	(52,269)	1.4	(160,146)	(149,006)	7.5
Amortisation of asset-related grants	2,649	2,360	12.2	7,594	7,279	4.3
Repairs and maintenance costs	(34,285)	(29,266)	17.1	(99,253)	(87,430)	13.5
Electricity and diesel costs	(32,848)	(36,015)	(8.8)	(103,438)	(115,760)	(10.6)
Other operating expenses	(57,070)	(60,369)	(5.5)	(181,560)	(162,086)	12.0
Total expenses	(303,017)	(295,876)	2.4	(925,516)	(869,356)	6.5
Profit/(Loss) from operations	45,433	31,038	46.4	105,633	93,659	12.8
- Rail	7,358	2,144	243.2	(2,176)	12,639	(117.2)
- Bus	3,003	(702)	527.8	5,325	(8,305)	164.1
- Non-Fare	35,072	29,596	18.5	102,484	89,325	14.7
Finance costs	(3,169)	(3,179)	(0.3)	(9,473)	(9,426)	0.5
Interest and investment income	265	459	(42.3)	926	1,298	(28.7)
Share of results of associates and joint ventures (net of tax)	1,249	(184)	778.8	3,355	(42)	8,088.1
Profit before income tax	43,778	28,134	55.6	100,441	85,489	17.5
Income tax expense	(6,964)	(5,567)	25.1	(17,691)	(15,811)	11.9
Profit after taxation	36,814	22,567	63.1	82,750	69,678	18.8
Attributable to:						
Equity holders of SMRT	36,862	22,549	63.5	82,738	70,185	17.9
Non-controlling interest	(48)	18	(366.7)	12	(507)	102.4
Profit for the period	36,814	22,567	63.1	82,750	69,678	18.8

	The Group					
	Oct - Dec 2015	Oct - Dec 2014	Increase/ (Decrease)	Apr - Dec 2015	Apr - Dec 2014	Increase/ (Decrease)
			%			%
EBITDA (\$'000)	95,768	80,947	18.3	258,185	235,386	9.7
EBITDA margin	29.2%	25.8%	3.4	26.4%	25.5%	0.9
EBIT margin	13.9%	9.9%	4.0	10.8%	10.1%	0.7
PAT margin	11.2%	7.2%	4.0	8.5%	7.5%	1.0
Interest coverage (x)	30.2	25.5	18.7	27.3	25.0	9.1
Earnings Per Share (EPS) (cents)						
- basic	2.42	1.48	63.5	5.43	4.61	17.8
- diluted	2.41	1.48	62.8	5.42	4.61	17.6
Economic Value Added (EVA) (\$'000)	20,696	5,930	249.0	35,936	23,201	54.9
Return On Equity (ROE)				12.6%	11.4%	1.2

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

	The Group			
	Oct - Dec 2015	Oct - Dec 2014	Apr - Dec 2015	Apr - Dec 2014
	\$'000	\$'000	\$'000	\$'000
<i>After Charging/(Crediting) :-</i>				
- Impairment losses made for receivables	351	107	1,055	794
- Allowance/(Write-back) for obsolete inventories	185	(68)	235	(35)
- Inventory written off	203	-	705	34
- Foreign exchange (gain)/loss	(520)	(30)	(421)	237
- Loss/(Gain) on disposal of property, plant and equipment	1,045	(277)	936	(268)
- Property, plant and equipment written off	1,094	5,253	1,882	5,444
- (Over)/Under provision of tax in respect of prior years	(1,115)	650	(1,093)	519

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

	The Group					
	Oct - Dec 2015	Oct - Dec 2014	Increase/ (Decrease)	Apr - Dec 2015	Apr - Dec 2014	Increase/ (Decrease)
			%			%
Earnings per ordinary share (cents)*:-						
(a) Basic	2.42	1.48	63.5	5.43	4.61	17.8
- Weighted average number of shares for basic EPS ('000)	1,523,852	1,522,138		1,523,281	1,521,928	
(b) Fully Diluted	2.41	1.48	62.8	5.42	4.61	17.6
- Weighted average number of shares for diluted EPS ('000)	1,529,608	1,525,842		1,527,533	1,524,056	

* To the nearest 0.01 cent

1(c)(i) BALANCE SHEETS

Notes	The Group		The Company	
	As at	As at	As at	As at
	31 Dec 2015	31 Mar 2015	31 Dec 2015	31 Mar 2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	2,058,396	2,042,484	17,265	12,420
Intangible asset	13,614	13,614	-	-
Investments in subsidiaries	-	-	325,823	325,823
Interests in associates and joint ventures	55,638	55,768	-	-
Other investments	19,933	20,629	-	-
Other receivables	1,000	-	-	-
	<u>2,148,581</u>	<u>2,132,495</u>	<u>343,088</u>	<u>338,243</u>
Current assets				
Inventories	80,943	80,917	-	-
Trade and other receivables	195,556	167,684	76,670	69,705
Fixed deposits with banks and financial institutions	15,073	9,358	-	-
Cash at banks and in hand	111,227	146,759	3,479	6,904
	<u>402,799</u>	<u>404,718</u>	<u>80,149</u>	<u>76,609</u>
Total assets	(a) <u>2,551,380</u>	<u>2,537,213</u>	<u>423,237</u>	<u>414,852</u>
Equity attributable to equity holders of SMRT				
Share capital	171,571	169,143	171,571	169,143
Reserves	2,644	9,145	3,560	3,185
Accumulated profits	714,495	681,228	168,424	215,177
	<u>888,710</u>	<u>859,516</u>	<u>343,555</u>	<u>387,505</u>
Non-controlling interest	(626)	(638)	-	-
Total equity	<u>888,084</u>	<u>858,878</u>	<u>343,555</u>	<u>387,505</u>
Non-current liabilities				
Interest-bearing borrowings	802,524	812,671	-	-
Provisions	28	32	-	-
Deferred tax liabilities	180,425	165,649	2,061	1,510
Fuel equalisation account	20,312	20,312	-	-
Deferred grants	36,655	39,758	-	-
	<u>1,039,944</u>	<u>1,038,422</u>	<u>2,061</u>	<u>1,510</u>
Current liabilities				
Interest-bearing borrowings	7,966	8,934	-	-
Trade and other payables	548,601	568,231	76,608	25,259
Provisions	59,648	57,895	779	578
Current tax payable	7,137	4,853	234	-
	<u>623,352</u>	<u>639,913</u>	<u>77,621</u>	<u>25,837</u>
Total liabilities	(b) <u>1,663,296</u>	<u>1,678,335</u>	<u>79,682</u>	<u>27,347</u>
Total equity and liabilities	<u>2,551,380</u>	<u>2,537,213</u>	<u>423,237</u>	<u>414,852</u>

Notes to Balance Sheets:

- (a) Total assets increased by \$14.2 million (0.6%) due mainly to higher property, plant and equipment (\$15.9 million) and trade and other receivables (\$28.9 million). These was partially offset by lower cash and cash equivalents (\$29.8 million).

Property, plant and equipment increased due mainly to the addition of rail operating assets, trains, buses and taxis, partially offset by the sale of 110 buses acquired under the Bus Service Enhancement Programme (“BSEP”) to the Land Transport Authority (“LTA”).

Higher trade and other receivables was due mainly to higher receivables from LTA and prepayments.

- (b) Total liabilities decreased by \$15.0 million (0.9%) due mainly to lower trade and other payables (\$19.6 million) and borrowings (\$11.1 million). These was partially offset by higher tax liabilities (\$17.1 million).

Trade and other payables decreased due mainly to lower accruals for operating expenses.

Lower borrowings was due to repayment of secured fixed rate loan for the buses acquired under BSEP, in conjunction with the sale of the 110 buses.

As at 31 December 2015, the Group was in a net current liabilities position of \$220.6 million. Included in the current liabilities were deposits from commercial tenants of \$38.2 million and provisions of \$59.6 million. Given their nature, these two current liabilities items are not expected to result in significant cash outflow by the Group within the next 12 months. Also included under trade and other payables, were balances relating to 13 new North-South East-West line trains and 8 new LRT trains acquired to improve train services and meet new operating reliability standards. The Group has sufficient undrawn bank financing facilities as well as multicurrency medium term note programme to meet commitments as and when they fall due.

1(c)(ii) GROUP'S BORROWINGS

	<u>As at 31 Dec 2015</u> \$'000	<u>As at 31 Mar 2015</u> \$'000
<u>Amount repayable in one year or less, or on demand</u>		
Secured SGD fixed rate loan - at 6.0% per annum	3,916	4,884
Unsecured SGD fixed rate loan - at 4.0% per annum	4,050	4,050
	<u>7,966</u>	<u>8,934</u>
<u>Amount repayable after one year</u>		
Secured SGD fixed rate loan - at 6.0% per annum	52,524	62,671
Unsecured quoted SGD fixed rate notes - at 1.2% per annum due October 2017	350,000	350,000
Unsecured quoted SGD fixed rate notes - at 2.363% per annum due October 2022	100,000	100,000
Unsecured quoted SGD fixed rate notes - at 3.072% per annum due June 2024	100,000	100,000
Unsecured quoted SGD fixed rate notes - at 1.388% per annum due October 2017	200,000	200,000
Total unsecured borrowings	750,000	750,000
	<u>802,524</u>	<u>812,671</u>
Total	<u>810,490</u>	<u>821,605</u>

Details of any collaterals

The secured SGD fixed rate loan is secured (in favour of LTA) over the buses acquired under the BSEP.

Net Gearing

	<u>The Group</u>	
	<u>As at 31 Dec 2015</u>	<u>As at 31 Mar 2015</u>
Net gearing	0.77	0.77

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

	The Group		The Company	
	As at 31 Dec 2015	As at 31 Mar 2015	As at 31 Dec 2015	As at 31 Mar 2015
Net asset value per ordinary share (cents)	58.32	56.47	22.55	25.46
Net tangible asset per ordinary share ¹ (cents)	57.43	55.57	22.55	25.46
Number of shares at end of period (excluding treasury shares) ² ('000)	<u>1,523,852</u>	<u>1,522,138</u>	<u>1,523,852</u>	<u>1,522,138</u>

¹ *Net tangible asset = net assets less intangible asset.*

² *Treasury shares - nil.*

1(d) CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group			
	Oct - Dec	Oct - Dec	Apr - Dec	Apr - Dec
	Notes 2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Operating activities				
Profit before income tax	43,778	28,134	100,441	85,489
<i>Adjustments for:</i>				
Amortisation of asset-related grants	(2,649)	(2,360)	(7,594)	(7,279)
Depreciation of property, plant and equipment	52,984	52,269	160,146	149,006
Dividend income	-	-	(155)	(206)
Grant released upon disposal/write-off of property, plant and equipment	(284)	(1)	(487)	(3)
Interest expense	3,169	3,179	9,473	9,426
Interest income	(265)	(459)	(771)	(1,092)
Loss/(Gain) on disposal of property, plant and equipment	1,045	(277)	936	(268)
Property, plant and equipment written off	1,094	5,253	1,882	5,444
Provisions made	5,000	4,933	15,889	15,180
Share-based payment expenses	858	674	2,803	1,578
Share of results of associates and joint ventures (net of tax)	(1,249)	184	(3,355)	42
Grants	(13,176)	(7,847)	(34,316)	(21,330)
	<u>90,305</u>	<u>83,682</u>	<u>244,892</u>	<u>235,987</u>
<i>Changes in working capital:</i>				
Inventories	2,265	204	(26)	(2,507)
Trade and other receivables	3,935	(12,314)	(12,047)	(26,277)
Trade and other payables	(27,065)	(31,257)	(40,588)	2,166
Cash generated from operations	<u>69,440</u>	<u>40,315</u>	<u>192,231</u>	<u>209,369</u>
Income taxes refunded/(paid), net	68	(94)	(494)	(177)
Interest paid	(6,223)	(6,652)	(12,411)	(11,734)
Cash flows from operating activities	(a) <u>63,285</u>	<u>33,569</u>	<u>179,326</u>	<u>197,458</u>
Investing activities				
Dividends received	-	-	4,899	206
Interest received	112	183	683	830
Investments in joint ventures	-	(1,150)	-	(1,150)
Loan to joint venture	-	-	(1,000)	-
Purchase of property, plant and equipment	(77,137)	(111,115)	(221,290)	(359,694)
Proceeds from disposal of:				
- property, plant and equipment	34,814	567	35,878	1,312
Cash flows from investing activities	(b) <u>(42,211)</u>	<u>(111,515)</u>	<u>(180,830)</u>	<u>(358,496)</u>
Financing activities				
Proceeds from issuance of unsecured quoted notes	-	200,000	-	300,000
Repayment of financial liabilities	(34,675)	(150,000)	(34,675)	(150,000)
Dividends paid	(22,858)	(22,832)	(49,495)	(41,090)
Proceeds from unclaimed dividends	24	-	24	35
Proceeds from borrowings	10,363	69,291	27,696	75,086
Grants received	15,889	7,855	27,868	18,508
Cash flows from financing activities	(c) <u>(31,257)</u>	<u>104,314</u>	<u>(28,582)</u>	<u>202,539</u>
Net (decrease)/increase in cash and cash equivalents	(d) (10,183)	26,368	(30,086)	41,501
Cash and cash equivalents at beginning of the period	136,585	170,727	156,117	155,524
Effect of exchange rate fluctuations on cash held	(102)	329	269	399
Cash and cash equivalents at end of the period	<u>126,300</u>	<u>197,424</u>	<u>126,300</u>	<u>197,424</u>
<u>Cash and cash equivalents at end of the period comprise:</u>				
Fixed deposits with banks and financial institutions	15,073	78,995	15,073	78,995
Cash at banks and in hand	111,227	118,429	111,227	118,429
	<u>126,300</u>	<u>197,424</u>	<u>126,300</u>	<u>197,424</u>

Notes to Consolidated Statement of Cash Flows:

- (a) Net cash inflow from operating activities of \$63.3 million for 3Q FY2016 was higher compared to \$33.6 million for 3Q FY2015, due mainly to lower working capital cash outflow. Net cash inflow from operating activities of \$179.3 million for YTD FY2016 was lower compared to \$197.5 million for YTD FY2015, due mainly to higher working capital cash outflow.
- (b) Net cash outflow from investing activities of \$42.2 million for 3Q FY2016 was lower compared to \$111.5 million for 3Q FY2015, due mainly to higher proceeds from disposal of property, plant and equipment, and lower payment for purchase of property, plant and equipment. Net cash outflow from investing activities of \$180.8 million for YTD FY2016 was lower compared to \$358.5 million for YTD FY2015, due mainly to lower payment for purchase of property, plant and equipment, higher proceeds from disposal of property, plant and equipment, and higher dividends received.
- (c) Net cash outflow from financing activities of \$31.3 million for 3Q FY2016 and \$28.6 million for YTD 2016, compared to net cash inflow for the previous corresponding periods, due mainly to net proceeds from issuance of fixed rate notes in the previous periods and lower BSEP borrowings in the current periods.
- (d) Net decrease in cash and cash equivalents of \$10.2 million in 3Q FY2016 compared to a net increase in 3Q FY2015, was due to financing cash outflow compared to an inflow partially offset by lower investing cash outflow and higher operating cash inflow. Net decrease in cash and cash equivalents of \$30.1 million in YTD FY2016 compared to a net increase in YTD FY2015, was due to financing cash outflow compared to an inflow and lower operating cash inflow, partially offset by lower investing cash outflow.

1(e) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group			
	Oct - Dec 2015	Oct - Dec 2014	Apr - Dec 2015	Apr - Dec 2014
	\$'000	\$'000	\$'000	\$'000
Profit for the period	36,814	22,567	82,750	69,678
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to the income statement:				
Change in fair value of available-for-sale financial assets, net of tax	-	-	(670)	258
Effective portion of changes in fair value of cash flow hedge, net of tax	(2,285)	(4,034)	(5,998)	(4,130)
Change in fair value of cash flow hedge transferred to the income statement, net of tax	2,010	1,541	3,007	1,648
Currency translation differences arising from consolidation	(1,636)	2,136	(3,215)	2,821
Other comprehensive income/(loss) for the period, net of tax	(1,911)	(357)	(6,876)	597
Total comprehensive income for the period	<u>34,903</u>	<u>22,210</u>	<u>75,874</u>	<u>70,275</u>
Attributable to:				
Equity holders of SMRT	34,951	22,192	75,862	70,782
Non-controlling interest	(48)	18	12	(507)
	<u>34,903</u>	<u>22,210</u>	<u>75,874</u>	<u>70,275</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	Non-Controlling Interest \$'000	Total Equity \$'000
At 1 Apr 2015	169,143	6,125	465	(630)	3,185	681,228	859,516	(638)	858,878
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	20,132	20,132	36	20,168
Other comprehensive income/(loss), net of tax *	-	(1,773)	(206)	790	-	-	(1,189)	-	(1,189)
Total comprehensive income/(loss)	-	(1,773)	(206)	790	-	20,132	18,943	36	18,979
Transactions with owners of the Company, recorded directly in equity									
Value of employee services received for share-based payment	-	-	-	-	1,079	-	1,079	-	1,079
Total transactions with owners	-	-	-	-	1,079	-	1,079	-	1,079
At 30 Jun 2015	169,143	4,352	259	160	4,264	701,360	879,538	(602)	878,936
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	25,744	25,744	24	25,768
Other comprehensive income/(loss), net of tax *	-	194	(464)	(3,506)	-	-	(3,776)	-	(3,776)
Total comprehensive income/(loss)	-	194	(464)	(3,506)	-	25,744	21,968	24	21,992
Transactions with owners of the Company, recorded directly in equity									
Issue of performance shares	2,428	-	-	-	(2,428)	-	-	-	-
Value of employee services received for share-based payment	-	-	-	-	866	-	866	-	866
Dividends paid	-	-	-	-	-	(26,637)	(26,637)	-	(26,637)
Total transactions with owners	2,428	-	-	-	(1,562)	(26,637)	(25,771)	-	(25,771)
At 30 Sep 2015	171,571	4,546	(205)	(3,346)	2,702	700,467	875,735	(578)	875,157
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	36,862	36,862	(48)	36,814
Other comprehensive income/(loss), net of tax *	-	(1,636)	-	(275)	-	-	(1,911)	-	(1,911)
Total comprehensive income/(loss)	-	(1,636)	-	(275)	-	36,862	34,951	(48)	34,903
Transactions with owners of the Company, recorded directly in equity									
Value of employee services received for share-based payment	-	-	-	-	858	-	858	-	858
Dividends paid	-	-	-	-	-	(22,858)	(22,858)	-	(22,858)
Proceeds from unclaimed dividends	-	-	-	-	-	24	24	-	24
Total transactions with owners	-	-	-	-	858	(22,834)	(21,976)	-	(21,976)
At 31 Dec 2015	171,571	2,910	(205)	(3,621)	3,560	714,495	888,710	(626)	888,084

* Details of other comprehensive income/(loss) have been included in the Consolidated Statement of Comprehensive Income.

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

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	Non- Controlling Interest \$'000	Total Equity \$'000
At 1 Apr 2014	168,240	(170)	516	(94)	1,977	631,283	801,752	(92)	801,660
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	22,363	22,363	(92)	22,271
Other comprehensive income/(loss), net of tax *	-	(1,721)	258	47	-	-	(1,416)	-	(1,416)
Total comprehensive income/(loss)	-	(1,721)	258	47	-	22,363	20,947	(92)	20,855
Transactions with owners of the Company, recorded directly in equity									
Value of employee services received for share-based payment	-	-	-	-	528	-	528	-	528
Total transactions with owners	-	-	-	-	528	-	528	-	528
At 30 Jun 2014	168,240	(1,891)	774	(47)	2,505	653,646	823,227	(184)	823,043
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	25,273	25,273	(433)	24,840
Other comprehensive income/(loss), net of tax *	-	2,406	-	(36)	-	-	2,370	-	2,370
Total comprehensive income/(loss)	-	2,406	-	(36)	-	25,273	27,643	(433)	27,210
Transactions with owners of the Company, recorded directly in equity									
Issue of performance shares	903	-	-	-	(903)	-	-	-	-
Value of employee services received for share-based payment	-	-	-	-	376	-	376	-	376
Dividends paid	-	-	-	-	-	(18,258)	(18,258)	-	(18,258)
Proceeds from unclaimed dividends	-	-	-	-	-	35	35	-	35
Total transactions with owners	903	-	-	-	(527)	(18,223)	(17,847)	-	(17,847)
At 30 Sep 2014	169,143	515	774	(83)	1,978	660,696	833,023	(617)	832,406
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	22,549	22,549	18	22,567
Other comprehensive income/(loss), net of tax *	-	2,136	-	(2,493)	-	-	(357)	-	(357)
Total comprehensive income/(loss)	-	2,136	-	(2,493)	-	22,549	22,192	18	22,210
Transactions with owners of the Company, recorded directly in equity									
Value of employee services received for share-based payment	-	-	-	-	674	-	674	-	674
Dividends paid	-	-	-	-	-	(22,832)	(22,832)	-	(22,832)
Total transactions with owners	-	-	-	-	674	(22,832)	(22,158)	-	(22,158)
At 31 Dec 2014	169,143	2,651	774	(2,576)	2,652	660,413	833,057	(599)	832,458

* Details of other comprehensive income/(loss) have been included in the Consolidated Statement of Comprehensive Income.

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

The Company

	Share Capital \$'000	Share-based Payment Reserve \$'000	Accumulated Profits \$'000	Total Equity \$'000
At 1 Apr 2015	169,143	3,185	215,177	387,505
Total comprehensive income/(loss) for the period				
Profit for the period	-	-	677	677
Transactions with owners, recorded directly in equity				
Value of employee services received for share-based payment	-	1,079	-	1,079
Total transactions with owners	-	1,079	-	1,079
At 30 Jun 2015	169,143	4,264	215,854	389,261
Total comprehensive income/(loss) for the period				
Profit for the period	-	-	869	869
Transactions with owners, recorded directly in equity				
Issue of performance shares	2,428	(2,428)	-	-
Value of employee services received for share-based payment	-	866	-	866
Dividends paid	-	-	(26,637)	(26,637)
Total transactions with owners	2,428	(1,562)	(26,637)	(25,771)
At 30 Sep 2015	171,571	2,702	190,086	364,359
Total comprehensive income/(loss) for the period				
Profit for the period	-	-	1,172	1,172
Transactions with owners, recorded directly in equity				
Value of employee services received for share-based payment	-	858	-	858
Dividends paid	-	-	(22,858)	(22,858)
Proceeds from unclaimed dividends	-	-	24	24
Total transactions with owners	-	858	(22,834)	(21,976)
At 31 Dec 2015	171,571	3,560	168,424	343,555

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

The Company

	Share Capital \$'000	Share-based Payment Reserve \$'000	Accumulated Profits \$'000	Total Equity \$'000
At 1 Apr 2014	168,240	1,977	227,759	397,976
Total comprehensive income/(loss) for the period				
Profit for the period	-	-	724	724
Transactions with owners, recorded directly in equity				
Value of employee services received for share-based payment	-	528	-	528
Total transactions with owners	-	528	-	528
At 30 Jun 2014	168,240	2,505	228,483	399,228
Total comprehensive income/(loss) for the period				
Profit for the period	-	-	982	982
Transactions with owners, recorded directly in equity				
Issue of performance shares	903	(903)	-	-
Value of employee services received for share-based payment	-	376	-	376
Dividends paid	-	-	(18,258)	(18,258)
Proceeds from unclaimed dividends	-	-	35	35
Total transactions with owners	903	(527)	(18,223)	(17,847)
At 30 Sep 2014	169,143	1,978	211,242	382,363
Total comprehensive income/(loss) for the period				
Profit for the period	-	-	31,091	31,091
Transactions with owners, recorded directly in equity				
Value of employee services received for share-based payment	-	674	-	674
Dividends paid	-	-	(22,832)	(22,832)
Total transactions with owners	-	674	(22,832)	(22,158)
At 31 Dec 2014	169,143	2,652	219,501	391,296

1(f)(ii) As at 31 December 2015, the total number of issued shares excluding treasury shares of the Company was 1,523,851,896 (31 March 2015: 1,522,138,046).

The Company did not hold any treasury shares in 3Q FY2016 and as at 31 December 2015 (31 December 2014: Nil).

As at 31 December 2015, the number of outstanding conditional shares awarded under the SMRT Corporation Restricted Share Plan (“SMRT RSP”) and SMRT Corporation Performance Share Plan (“SMRT PSP”) was 5,755,652 (31 December 2014: 4,191,582).

2. AUDIT

The figures for the quarters and periods ended 31 December 2015 and 31 December 2014 have not been audited or reviewed by our external auditors.

3. ACCOUNTING POLICIES

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current period compared with the audited financial statements as at 31 March 2015.

The Group has adopted the following new or revised Financial Reporting Standards (“FRS”) that are effective for the Group’s annual periods beginning on or after 1 April 2015. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

- Amendments to FRS 19 (R) Employee Benefits - Defined Benefit Plans: Employee Contributions (effective for annual periods commencing on or after 1 July 2014)
- Annual improvements 2012 (effective for annual periods commencing on or after 1 July 2014)
 - FRS 102 Share-based Payment
 - FRS 103 Business Combinations
 - FRS 108 Operating Segments
 - FRS 16 Property, Plant and Equipment
 - FRS 38 Intangible Assets
 - FRS 24 Related Party Disclosures
- Annual improvements 2013 (effective for annual periods commencing on or after 1 July 2014)
 - FRS 103 Business Combinations
 - FRS 113 Fair Value Measurement
 - FRS 40 Investment Property

The adoption of the above FRSs does not have any significant impact on the financial statements of the Group.

4. **REVIEW OF GROUP PERFORMANCE (3Q FY2016 AND YTD FY2016 AGAINST PREVIOUS CORRESPONDING PERIODS)**

4.1 **Overview**

Group **revenue** increased by \$14.4 million (4.6%) in 3Q FY2016 and \$52.3 million (5.7%) in YTD FY2016 compared to previous corresponding periods across all segments, except Engineering Services attributed to completion of overseas consultancy projects in prior year.

The Group's **Rail** operations (Train and LRT) recorded higher operating profit of \$5.8 million (242%) in 3Q FY2016 compared to 3Q FY2015 due mainly to higher revenue. However, Rail operations reported a combined loss of \$1.1 million in YTD FY2016 compared to an operating profit in the previous corresponding period as increase in operating expenses outpaced the growth in revenue. **Bus** operations posted an operating profit of \$3.4 million in 3Q FY2016 and \$7.5 million in YTD FY2016 compared to losses in the previous corresponding periods.

Operating profit from the Group's **Non-Fare business** increased by \$5.7 million (20.3%) in 3Q FY2016 and \$13.2 million (15.5%) in YTD FY2016, due largely to improved profitability of Taxi and Rental segments.

As a result, Group **operating profit** increased by \$14.4 million (46.4%) in 3Q FY2016 and \$12.0 million (12.8%) in YTD FY2016 compared to previous corresponding periods.

Group **profit attributable to equity holders of SMRT** was higher by \$14.3 million (63.5%) in 3Q FY2016 and \$12.6 million (17.9%) in YTD FY2016.

4.2 **Explanatory notes to Consolidated Income Statement**

Other operating income increased by \$7.2 million (52.3%) in 3Q FY2016 and \$15.8 million (40.9%) in YTD FY2016 due mainly to higher BSEP grants to cover the increased operating costs incurred by a larger BSEP fleet, funding from Public Transport Security Committee ("PTSC") to partially offset the increased expenditure from heightened security standards and higher training grants.

Staff costs increased by \$8.2 million (6.8%) in 3Q FY2016 and \$26.4 million (7.3%) in YTD FY2016 due mainly to increased headcount in Rail and Bus operations, and salary increments.

Depreciation increased by \$0.7 million (1.4%) in 3Q FY2016 and \$11.1 million (7.5%) in YTD FY2016 due mainly to capitalisation of new buses and taxis. The capitalisation of a larger train fleet also resulted in the higher depreciation for YTD FY2016.

Repairs and maintenance costs increased by \$5.0 million (17.1%) in 3Q FY2016 and \$11.8 million (13.5%) in YTD FY2016 due mainly to more trains undergoing scheduled overhaul and rigorous maintenance regime in Train and LRT operations in view of the ageing systems, a larger bus fleet as well as maintenance work in line with the taxi life cycle.

Electricity and diesel costs decreased by \$3.2 million (8.8%) in 3Q FY2016 and \$12.3 million (10.6%) in YTD FY2016 due mainly to lower diesel cost and electricity tariff, partially offset by higher consumption arising from a larger train and bus fleet, and increased train runs.

Other operating expenses decreased by \$3.3 million (5.5%) in 3Q FY2016 due mainly to early retirement of taxis in the previous corresponding period. Other operating expenses increased by \$19.5 million (12.0%) in YTD FY2016, due mainly to full period costs associated with Kallang Wave mall which opened in June 2014, higher contribution to the Public Transport Fund ("PTF") as part of the conditions set in the fare adjustment that took effect on 5 April 2015, expenses associated with costs for schemes introduced by LTA (including travel discounts) to incentivise commuters to shift their travel times away from peak hours, as well as higher equipment maintenance relating mainly to planned upgrade of enterprise-wide infocomm system. The higher other operating expenses included provision for penalties and bus chartering expense relating to train disruptions.

Share of results of associates and joint ventures relate to the 49% share of results of Shenzhen Zona, and 50% share of results of joint venture companies, Hailo Singapore, Railise and Faveley Rail Engineering Singapore. The higher profit was due to improved financial performance of Shenzhen Zona, which increased \$1.2 million in 3Q FY2016 and \$3.6 million in YTD FY2016.

5. **REVIEW OF SEGMENT PERFORMANCE (3Q FY2016 AND YTD FY2016 AGAINST PREVIOUS CORRESPONDING PERIODS)**

A segmental breakdown by business is provided under note 9.

	Third Quarter			Year-to-date		
	3Q FY2016	3Q FY2015	Increase / (Decrease)	YTD FY2016	YTD FY2015	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Fare business</u>						
Revenue	235,279	223,240	5.4	702,371	670,110	4.8
Operating profit	11,598	1,922	503.4	6,340	6,277	1.0
<u>Train operations</u>						
Revenue	169,866	161,794	5.0	507,055	484,923	4.6
Operating profit	9,696	3,197	203.3	3,189	15,780	(79.8)
<u>LRT operations</u>						
Revenue	2,585	2,360	9.5	7,883	7,309	7.9
Operating loss	(1,542)	(813)	(89.7)	(4,335)	(2,084)	(108.0)
<u>Bus operations</u>						
Revenue	62,828	59,086	6.3	187,433	177,878	5.4
Operating profit/(loss)	3,444	(462)	845.5	7,486	(7,419)	200.9
<u>Non-Fare business</u>						
Revenue	92,276	89,951	2.6	274,245	254,212	7.9
Operating profit	33,671	27,989	20.3	98,286	85,060	15.5
<u>Taxi operations</u>						
Revenue	36,910	36,576	0.9	112,319	106,099	5.9
Operating profit	4,770	772	517.9	14,730	8,316	77.1
<u>Rental</u>³						
Revenue	33,438	32,285	3.6	99,672	88,241	13.0
- Rail	26,772	26,207	2.2	79,221	77,095	2.8
- Others	6,666	6,078	9.7	20,451	11,146	83.5
Operating profit	21,770	20,660	5.4	63,427	59,752	6.2
<u>Advertising</u>⁴						
Revenue	10,493	9,921	5.8	30,245	28,643	5.6
Operating profit	5,344	6,472	(17.4)	17,650	17,273	2.2
<u>Engineering Services</u>						
Revenue	3,039	3,668	(17.1)	8,958	10,167	(11.9)
Operating profit/(loss)	310	(1,225)	125.3	(312)	(1,921)	83.8
<u>Other Services</u>						
Revenue	8,396	7,501	11.9	23,051	21,062	9.4
Operating profit	1,477	1,310	12.7	2,791	1,640	70.2
<u>Investment holding & Support Services / Consolidation elimination & adjustments</u>						
Revenue	-	-	n.m.	-	-	n.m.
Operating profit	164	1,127	(85.4)	1,007	2,322	(56.6)
<u>Total</u>						
Revenue	327,555	313,191	4.6	976,616	924,322	5.7
Operating profit	45,433	31,038	46.4	105,633	93,659	12.8

³ Rental – operating profit comprises EBIT attributed to Transit-oriented Rental business, and Other Property and Retail Management businesses.

⁴ Advertising – operating profit comprises EBIT attributed to Transit-oriented Advertising business, and Other Media and Advertising businesses.

Revenue from **Train operations** increased by \$8.1 million (5.0%) in 3Q FY2016 and \$22.1 million (4.6%) in YTD FY2016 due to higher ridership and average fare. Operating profit increased by \$6.5 million (203.3%) in 3Q FY2016 on the back of higher revenue, funding from PTSC, lower depreciation partially offset by higher staff costs and repairs and maintenance related expenditure. Despite an increase in fare revenue and lower electricity costs, operating profit decreased by \$12.6 million (79.8%) in YTD FY2016 due mainly to higher staff costs, repairs and maintenance related expenditure and depreciation.

Notwithstanding the higher revenue, **LRT operations** suffered higher operating losses of \$1.5 million in 3Q FY2016 and \$4.3 million in YTD FY2016 compared to previous corresponding periods, due mainly to higher operating costs associated with the addition of new trains to the fleet.

Revenue from **Bus operations** increased by \$3.7 million (6.3%) in 3Q FY2016 and \$9.6 million (5.4%) in YTD FY2016 compared to previous corresponding periods, due to increased ridership and average fare. Bus operations registered an operating profit of \$3.4 million in 3Q FY2016 and \$7.5 million in YTD FY2016 compared to losses in the previous corresponding periods, due mainly to higher revenue, training grants, reliability incentives and lower diesel costs, partially offset by higher staff costs, depreciation and repairs and maintenance.

Taxi revenue increased by \$0.3 million (0.9%) in 3Q FY2016 and \$6.2 million (5.9%) in YTD FY2016 due mainly to a newer and larger hired-out fleet. Operating profit increased \$4.0 million (517.9%) in 3Q FY2016 and \$6.4 million (77.1%) in YTD FY2016 due mainly to higher rental contribution and early retirement of taxis in 3Q FY2015.

Rental revenue increased by \$1.2 million (3.6%) in 3Q FY2016 and \$11.4 million (13.0%) in YTD FY2016 due mainly to higher rental revenue from the Kallang Wave mall, stations and bus interchanges. Consequently, operating profit increased by \$1.1 million (5.4%) in 3Q FY2016 and \$3.7 million (6.2%) in YTD FY2016.

Advertising revenue increased by \$0.6 million (5.8%) in 3Q FY2016 and \$1.6 million (5.6%) in YTD FY2016 due mainly to increased advertising on trains and buses. Operating profit decreased by \$1.1 million (17.4%) in 3Q FY2015 due mainly to higher staff costs. Operating profit increased by \$0.4 million (2.2%) in YTD FY2016 due mainly to higher revenue partially offset by higher staff costs.

Engineering Services revenue decreased by \$0.6 million (17.1%) in 3Q FY2016 and \$1.2 million (11.9%) in YTD FY2016 due mainly to completion of certain overseas consultancy projects. Profit contribution from Singapore Rail Engineering resulted in an operating profit of \$0.3 million in 3Q FY2016 and a lower operating loss of \$0.3 million in YTD FY2016.

Revenue of **Other Services** increased by \$0.9 million (11.9%) in 3Q FY2016 and \$2.0 million (9.4%) in YTD FY2016 primarily from higher charter revenue. As a result, operating profit increased by \$0.2 million (12.7%) and \$1.2 million (70.2%) in 3Q FY2016 and YTD FY2016 respectively.

6. REVIEW OF PROSPECTS STATEMENT

The results for 3Q FY2016 are consistent with the prospects statement issued during the announcement of the 2Q FY2016 results.

7. PROSPECTS

The Group remains fully committed in its efforts to further strengthen performance in rail reliability and meet the maintenance performance standards set by the authorities. Operating expenses will continue to increase due to intensive maintenance and renewal programmes of the ageing network. The Group's fare revenue will be impacted by the 1.9% fare reduction and commencement of Downtown Line 2 from 27 December 2015.

The Group is making progress in its discussions with the authorities on the transition to a new rail financing framework.

Bus operations results are expected to improve compared to FY2015 due mainly to higher revenue resulting from fare increase that took place in April 2015 and lower energy prices, as well as productivity improvements and reliability incentives. We are in discussion with the authorities on the contract terms for the remaining bus services beyond the license expiry in August 2016.

The Group will continue to explore growth anchored on the strengths of its core public transport operations and adjacent capabilities, locally and overseas.

8. DIVIDENDS

No dividend will be declared for 3Q FY2016.

9. SEGMENT INFORMATION

	-----Rail-----		Bus operations	Taxi operations	Rental ⁵ \$'000	Advertising ⁶ \$'000	Engineering Services \$'000	Other Services \$'000	Investment holding and support services \$'000	Consolidation elimination & adjustments \$'000	Total \$'000
	Train \$'000	LRT \$'000									
Revenue and expenses											
3Q FY2016											
Revenue											
- external customers	169,866	2,585	62,828	36,910	33,438	10,493	3,039	8,396	-	-	327,555
- inter-segment	-	-	131	-	-	458	5,823	272	17,655	(24,339)	-
Operating expenses (net of other income)	(134,727)	(3,603)	(51,474)	(20,775)	(8,268)	(4,924)	(8,521)	(7,125)	(15,685)	23,315	(231,787)
Depreciation and amortisation	(25,443)	(524)	(8,041)	(11,365)	(3,400)	(683)	(31)	(66)	(805)	23	(50,335)
Segment operating results	9,696	(1,542)	3,444	4,770	21,770	5,344	310	1,477	1,165	(1,001)	45,433
Finance costs											(3,169)
Interest income											265
Investment income											-
Share of results of associates and joint ventures (net of tax)											1,249
Income tax expense											(6,964)
Profit after taxation											36,814
Non-controlling interest											48
Profit for the period attributable to equity holders of SMRT											36,862
3Q FY2015											
Revenue											
- external customers	161,794	2,360	59,086	36,576	32,285	9,921	3,668	7,501	-	-	313,191
- inter-segment	-	-	6	-	-	79	240	161	15,119	(15,605)	-
Operating expenses (net of other income)	(131,821)	(3,115)	(52,795)	(24,565)	(8,257)	(2,881)	(5,125)	(6,313)	(12,942)	15,570	(232,244)
Depreciation and amortisation	(26,776)	(58)	(6,759)	(11,239)	(3,368)	(647)	(8)	(39)	(974)	(41)	(49,909)
Segment operating results	3,197	(813)	(462)	772	20,660	6,472	(1,225)	1,310	1,203	(76)	31,038
Finance costs											(3,179)
Interest income											459
Investment income											-
Share of results of associates and joint ventures (net of tax)											(184)
Income tax expense											(5,567)
Profit after taxation											22,567
Non-controlling interest											(18)
Profit for the period attributable to equity holders of SMRT											22,549

⁵ Rental – operating profit comprises EBIT attributed to Transit-oriented Rental business, and Other Property and Retail Management businesses.

⁶ Advertising – operating profit comprises EBIT attributed to Transit-oriented Advertising business, and Other Media and Advertising businesses.

9. SEGMENT INFORMATION (cont'd)

	-----Rail-----		Bus	Taxi	Rental ⁷	Advertising ⁸	Engineering	Other	Investment	Consolidation	Total
	Train	LRT	operations	operations	Rental ⁷	Advertising ⁸	Services	Services	holding and	elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	support services	& adjustments	\$'000
Revenue and expenses											
YTD FY2016											
Revenue											
- external customers	507,055	7,883	187,433	112,319	99,672	30,245	8,958	23,051	-	-	976,616
- inter-segment	-	-	1,188	-	-	1,171	13,554	828	50,712	(67,453)	-
Operating expenses (net of other income)	(425,498)	(10,972)	(157,109)	(63,545)	(26,048)	(11,721)	(22,748)	(20,897)	(44,867)	64,974	(718,431)
Depreciation and amortisation	(78,368)	(1,246)	(24,026)	(34,044)	(10,197)	(2,045)	(76)	(191)	(2,414)	55	(152,552)
Segment operating results	<u>3,189</u>	<u>(4,335)</u>	<u>7,486</u>	<u>14,730</u>	<u>63,427</u>	<u>17,650</u>	<u>(312)</u>	<u>2,791</u>	<u>3,431</u>	<u>(2,424)</u>	<u>105,633</u>
Finance costs											(9,473)
Interest income											771
Investment income											155
Share of results of associates and joint ventures (net of tax)											3,355
Income tax expense											(17,691)
Profit after taxation											<u>82,750</u>
Non-controlling interest											(12)
Profit for the period attributable to equity holders of SMRT											<u><u>82,738</u></u>
YTD FY2015											
Revenue											
- external customers	484,923	7,309	177,878	106,099	88,241	28,643	10,167	21,062	-	-	924,322
- inter-segment	-	-	143	-	-	216	537	444	43,912	(45,252)	-
Operating expenses (net of other income)	(392,599)	(9,215)	(165,951)	(67,064)	(18,826)	(9,513)	(12,609)	(19,745)	(38,631)	45,217	(688,936)
Depreciation and amortisation	(76,544)	(178)	(19,489)	(30,719)	(9,663)	(2,073)	(16)	(121)	(2,792)	(132)	(141,727)
Segment operating results	<u>15,780</u>	<u>(2,084)</u>	<u>(7,419)</u>	<u>8,316</u>	<u>59,752</u>	<u>17,273</u>	<u>(1,921)</u>	<u>1,640</u>	<u>2,489</u>	<u>(167)</u>	<u>93,659</u>
Finance costs											(9,426)
Interest income											1,092
Investment income											206
Share of results of associates and joint ventures (net of tax)											(42)
Income tax expense											(15,811)
Profit after taxation											<u>69,678</u>
Non-controlling interest											507
Profit for the period attributable to equity holders of SMRT											<u><u>70,185</u></u>

⁷ Rental – operating profit comprises EBIT attributed to Transit-oriented Rental business, and Other Property and Retail Management businesses.

⁸ Advertising – operating profit comprises EBIT attributed to Transit-oriented Advertising business, and Other Media and Advertising businesses.

10. INTERESTED PERSON TRANSACTIONS

The aggregate value of interested person transactions entered into during 3Q FY2016 and YTD FY2016 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 pursuant to Rule 920)	
	3Q FY2016	YTD FY2016	3Q FY2016	YTD FY2016
	\$'000	\$'000	\$'000	\$'000
<u>Sale of Goods and Services</u>				
MediaCorp Pte Ltd	-	641	-	-
SIA Engineering Company Limited	89	259	-	-
Singapore Telecommunications Ltd ⁽¹⁾	73	953	-	-
SingTel Mobile Singapore Pte Ltd ⁽¹⁾	638	638	-	-
<u>Purchases of Goods and Services</u>				
Certis CISCO Security Pte Ltd	21,518	21,518	-	-
NCS Communications Engineering Pte Ltd ⁽¹⁾	-	985	-	-
Power Automation Pte Ltd	585	934	-	-
Singapore Technologies Electronics Ltd ⁽²⁾	131	131	-	-
Singapore Technologies Kinetics Ltd ⁽²⁾	104	7,886	-	-
Singapore Telecommunications Ltd ⁽¹⁾	5,300	5,666	-	-
Singapore Test Services Pte Ltd ⁽²⁾	658	658	-	-
Starhub Ltd	-	161	-	-
Total	29,096	40,430	-	-

(1) Part of SingTel Group

(2) Part of Singapore Technologies Engineering Group

11. **CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, Koh Yong Guan and Desmond Kuek, being two directors of SMRT Corporation Ltd (the “Company”), do hereby confirm on behalf of the directors of the Company, that to the best of our knowledge, nothing has come to our attention which may render the 3Q FY2016 and YTD FY2016 unaudited financial results to be false or misleading in any material respect.

On behalf of the Board of Directors



Koh Yong Guan
Chairman



Desmond Kuek
President & Group CEO

12. **CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Ms Jacquelin Tay Gek Poh
Company Secretary
SMRT Corporation Ltd

25 January 2016