

SMRT CORPORATION LTD

(Company Registration No: 200001855H)

Results for the Second Quarter and Half-Year ended 30 September 2014

The Directors of SMRT Corporation Ltd wish to announce the unaudited results of the Group for the second quarter ("2Q FY2015") and half-year ("1H FY2015") ended 30 September 2014.

1(a)(i) CONSOLIDATED INCOME STATEMENT

		The Group					
		Jul - Sep 2014	Jul - Sep 2013	Increase/ (Decrease)	Apr - Sep 2014	Apr - Sep 2013	Increase/ (Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		313,997	296,267	6.0	611,131	581,063	5.2
	- Rail	167,730	163,215	2.8	328,078	319,362	2.7
	- Bus	60,719	55,191	10.0	118,792	108,784	9.2
	- Non-Fare	85,548	77,861	9.9	164,261	152,917	7.4
Other operating income		12,190	9,545	27.7	24,970	19,087	30.8
	- Rail	2,549	3,162	(19.4)	6,571	6,748	(2.6)
	- Bus	8,391	5,545	51.3	16,604	10,392	59.8
	- Non-Fare	1,250	838	49.2	1,795	1,947	(7.8)
		326,187	305,812	6.7	636,101	600,150	6.0
Staff costs		(123,000)	(118,490)	3.8	(242,036)	(231,199)	4.7
	- Rail	(64,841)	(65,545)	(1.1)	(129,802)	(128,638)	0.9
	- Bus	(34,819)	(34,205)	1.8	(71,272)	(65,493)	8.8
	- Non-Fare	(23,340)	(18,740)	24.5	(40,962)	(37,068)	10.5
Depreciation of property, plant and equipment		(49,366)	(45,253)	9.1	(96,737)	(87,602)	10.4
	- Rail	(27,840)	(25,792)	7.9	(54,588)	(49,580)	10.1
	- Bus	(6,447)	(6,579)	(2.0)	(12,820)	(12,837)	(0.1)
	- Non-Fare	(15,079)	(12,882)	17.1	(29,329)	(25,185)	16.5
Amortisation of asset-related grants		2,472	2,466	0.2	4,919	4,905	0.3
	- Rail	2,356	2,432	(3.1)	4,700	4,836	(2.8)
	- Bus	51	23	121.7	90	46	95.7
	- Non-Fare	65	11	490.9	129	23	460.9
Repairs and maintenance costs		(29,916)	(29,772)	0.5	(58,164)	(56,251)	3.4
	- Rail	(18,104)	(18,791)	(3.7)	(34,386)	(33,471)	2.7
	- Bus	(6,449)	(6,612)	(2.5)	(13,337)	(13,358)	(0.2)
	- Non-Fare	(5,363)	(4,369)	22.8	(10,441)	(9,422)	10.8
Electricity and diesel costs		(39,952)	(43,738)	(8.7)	(79,745)	(86,612)	(7.9)
	- Rail	(27,001)	(31,527)	(14.4)	(53,512)	(62,543)	(14.4)
	- Bus	(12,757)	(12,019)	6.1	(25,845)	(23,710)	9.0
	- Non-Fare	(194)	(192)	1.0	(388)	(359)	8.1
Other operating expenses		(53,113)	(51,012)	4.1	(101,717)	(101,172)	0.5
	- Rail	(28,634)	(27,975)	2.4	(56,566)	(55,873)	1.2
	- Bus	(10,656)	(8,763)	21.6	(19,815)	(19,095)	3.8
	- Non-Fare	(13,823)	(14,274)	(3.2)	(25,336)	(26,204)	(3.3)
Total expenses		(292,875)	(285,799)	2.5	(573,480)	(557,931)	2.8
	- Rail	(164,064)	(167,198)	(1.9)	(324,154)	(325,269)	(0.3)
	- Bus	(71,077)	(68,155)	4.3	(142,999)	(134,447)	6.4
	- Non-Fare	(57,734)	(50,446)	14.4	(106,327)	(98,215)	8.3
Profit/(Loss) from operations		33,312	20,013	66.5	62,621	42,219	48.3
	- Rail	6,215	(821)	857.0	10,495	841	1,147.9
	- Bus	(1,967)	(7,419)	73.5	(7,603)	(15,271)	50.2
	- Non-Fare	29,064	28,253	2.9	59,729	56,649	5.4
Finance costs		(3,440)	(2,626)	31.0	(6,247)	(5,227)	19.5
Interest and investment income		303	375	(19.2)	839	974	(13.9)
Share of results of associate (net of tax)		16	(378)	104.2	142	(528)	126.9
Profit before income tax		30,191	17,384	73.7	57,355	37,438	53.2
Income tax expense		(5,351)	(3,080)	73.7	(10,244)	(6,806)	50.5
Profit after taxation		24,840	14,304	73.7	47,111	30,632	53.8
Attributable to:							
Equity holders of SMRT		25,273	14,401	75.5	47,636	30,750	54.9
Non-controlling interest		(433)	(97)	(346.4)	(525)	(118)	(344.9)
Profit for the period		24,840	14,304	73.7	47,111	30,632	53.8

1(a)(ii) CONSOLIDATED INCOME STATEMENT (cont'd)

	The Group					
	Jul - Sep 2014	Jul - Sep 2013	Increase/ (Decrease) %	Apr - Sep 2014	Apr - Sep 2013	Increase/ (Decrease) %
EBITDA (\$'000)	80,206	62,800	27.7	154,439	124,916	23.6
EBITDA margin	25.5%	21.2%	4.3	25.3%	21.5%	3.8
EBIT margin	10.6%	6.8%	3.8	10.2%	7.3%	2.9
PAT margin	7.9%	4.8%	3.1	7.7%	5.3%	2.4
Interest coverage (x)	23.3	23.9	(2.5)	24.7	23.9	3.4
Earnings Per Share (EPS) (cents)						
- basic	1.7	0.9	75.4	3.1	2.0	54.9
- diluted	1.7	0.9	75.5	3.1	2.0	54.9
Economic Value Added (EVA) (\$'000)	10,079	853	1,080.9	17,270	4,014	330.3
Return On Equity (ROE)				11.7%	7.9%	3.8

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

	The Group			
	Jul - Sep 2014 \$'000	Jul - Sep 2013 \$'000	Apr - Sep 2014 \$'000	Apr - Sep 2013 \$'000
<i>After Charging/(Crediting) :-</i>				
- Impairment loss made/(reversed) for trade receivables	479	(11)	687	129
- (Write-back)/Allowance for obsolete inventories	(27)	132	33	415
- Inventory written off	-	2	34	3
- Foreign exchange loss/(gain)	135	(76)	267	(3)
- (Gain)/Loss on disposal of property, plant and equipment	(415)	(116)	9	(620)
- Property, plant and equipment written off	14	363	191	365
- Under/(Over) provision of current tax in respect of prior years	9	(87)	9	(83)

1(b) EARNINGS PER ORDINARY SHARE

	The Group					
	Jul - Sep 2014	Jul - Sep 2013	Increase/ (Decrease) %	Apr - Sep 2014	Apr - Sep 2013	Increase/ (Decrease) %
Earnings per ordinary share (cents)*:-						
(a) Basic	1.7	0.9	75.4	3.1	2.0	54.9
- Weighted average number of shares for basic EPS ('000)	1,522,138	1,521,508		1,521,823	1,521,245	
(b) Fully Diluted	1.7	0.9	75.5	3.1	2.0	54.9
- Weighted average number of shares for diluted EPS ('000)	1,523,460	1,523,410		1,523,145	1,522,600	

* To the nearest 0.1 cents

1(c)(i) BALANCE SHEETS

Notes	The Group		The Company	
	As at	As at	As at	As at
	30 Sep 2014	31 Mar 2014	30 Sep 2014	31 Mar 2014
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	1,914,518	1,641,769	10,248	11,537
Intangible asset	13,614	13,614	-	-
Investments in subsidiaries	-	-	325,823	325,823
Interest in associate	53,387	52,629	-	-
Other investments	20,955	20,713	-	-
	<u>2,002,474</u>	<u>1,728,725</u>	<u>336,071</u>	<u>337,360</u>
Current assets				
Inventories	87,036	84,325	-	-
Trade and other receivables	123,503	98,938	66,618	78,965
Other investments	5,000	5,000	-	-
Fixed deposits with banks and financial institutions	8,682	8,615	-	-
Cash at banks and in hand	162,045	146,909	2,421	5,682
	<u>386,266</u>	<u>343,787</u>	<u>69,039</u>	<u>84,647</u>
Total assets	(a) <u><u>2,388,740</u></u>	<u><u>2,072,512</u></u>	<u><u>405,110</u></u>	<u><u>422,007</u></u>
Equity attributable to equity holders of SMRT				
Share capital	169,143	168,240	169,143	168,240
Reserves	3,184	2,229	1,978	1,977
Accumulated profits	660,696	631,283	211,242	227,759
	<u>833,023</u>	<u>801,752</u>	<u>382,363</u>	<u>397,976</u>
Non-controlling interest	(617)	(92)	-	-
Total equity	<u>832,406</u>	<u>801,660</u>	<u>382,363</u>	<u>397,976</u>
Non-current liabilities				
Interest-bearing borrowings	583,994	480,017	-	-
Provisions	26	25	-	-
Deferred tax liabilities	160,794	155,808	1,200	1,435
Fuel equalisation account	20,312	20,312	-	-
Deferred grants	44,860	48,949	19	42
Trade and other payables	200,525	-	-	-
	<u>1,010,511</u>	<u>705,111</u>	<u>1,219</u>	<u>1,477</u>
Current liabilities				
Interest-bearing borrowings	156,861	156,393	-	-
Trade and other payables	327,758	355,183	20,682	22,302
Provisions	52,125	50,263	356	252
Current tax payable	9,079	3,902	490	-
	<u>545,823</u>	<u>565,741</u>	<u>21,528</u>	<u>22,554</u>
Total liabilities	(b) <u><u>1,556,334</u></u>	<u><u>1,270,852</u></u>	<u><u>22,747</u></u>	<u><u>24,031</u></u>
Total equity and liabilities	<u><u>2,388,740</u></u>	<u><u>2,072,512</u></u>	<u><u>405,110</u></u>	<u><u>422,007</u></u>

Notes to Balance Sheets:

- (a) Total assets increased by \$316.2 million (15.3%) due mainly to higher property, plant and equipment (\$272.7 million), trade and other receivables (\$24.6 million) and cash and cash equivalents (\$15.2 million).

Property, plant and equipment increased due mainly to the addition of rail operating assets, trains, taxis and buses.

Higher trade and other receivables was due mainly to higher receivables from the Land Transport Authority of Singapore ("LTA"), advance to suppliers and prepayments.

- (b) Total liabilities increased by \$285.5 million (22.5%) due mainly to higher interest-bearing borrowings (\$104.4 million) and trade and other payables (\$173.1 million).

The higher interest-bearing borrowings was due mainly to the issuance of \$100.0 million 3.072% 10-year fixed rate notes in June 2014.

The higher trade and other payables was due mainly to higher accruals for property, plant and equipment.

As at 30 September 2014, the Group was in a net current liabilities position. Included in current liabilities are deposits from commercial tenants of \$37.4 million and provisions of \$52.1 million. These current liabilities, because of their nature, are not expected to result in significant cash outflow from the Group within the next 12 months. In October 2014, the Group had drawn down \$49.9 million under its revolving credit facilities. It also issued \$200.0 million 3-year fixed rate notes and repaid the \$150.0 million fixed rate notes under the multicurrency medium term note programmes.

1(c)(ii) GROUP'S BORROWINGS

	<u>As at 30 Sep 2014</u> \$'000	<u>As at 31 Mar 2014</u> \$'000
<u>Amount repayable in one year or less, or on demand</u>		
Secured SGD fixed rate loan - at 6.0% per annum	2,729	2,343
Unsecured SGD fixed rate loan - at 4.0% per annum	4,132	4,050
Unsecured quoted SGD fixed rate notes - at 2.42% per annum due October 2014	150,000	150,000
Total unsecured borrowings	154,132	154,050
	<u>156,861</u>	<u>156,393</u>

Amount repayable after one year

Secured SGD fixed rate loan - at 6.0% per annum	33,994	30,017
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	-
Total unsecured borrowings	550,000	450,000
	<u>583,994</u>	<u>480,017</u>

Details of any collaterals

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

Net Gearing

	The Group	
	As at 30 Sep 2014	As at 31 Mar 2014
Net gearing	0.68	0.60

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

	The Group		The Company	
	As at 30 Sep 2014	As at 31 Mar 2014	As at 30 Sep 2014	As at 31 Mar 2014
Net asset value per ordinary share (cents)	54.7	52.7	25.1	26.2
Net tangible asset per ordinary share ¹ (cents)	53.8	51.8	25.1	26.2
Number of shares at end of period (excluding treasury shares) ² ('000)	<u>1,522,138</u>	<u>1,521,508</u>	<u>1,522,138</u>	<u>1,521,508</u>

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

² *Treasury shares - nil.*

1(d) CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group			
	Jul - Sep	Jul - Sep	Apr - Sep	Apr - Sep
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Notes				
Operating activities				
Profit before income tax	30,191	17,384	57,355	37,438
<i>Adjustments for:</i>				
Amortisation of asset-related grants	(2,472)	(2,466)	(4,919)	(4,905)
Changes in fair value of financial instruments	-	(82)	-	(6)
Depreciation of property, plant and equipment	49,366	45,253	96,737	87,602
Dividend income	-	-	(206)	(206)
Grant released upon disposal/write-off of property, plant and equipment	(2)	(2)	(2)	(2)
Interest expense	3,440	2,626	6,247	5,227
Interest income	(303)	(375)	(633)	(768)
(Gain)/Loss on disposal of property, plant and equipment	(415)	(116)	9	(620)
Property, plant and equipment written off	14	363	191	365
Provisions made	5,913	8,974	10,247	13,179
Share-based payment expenses	376	(781)	904	104
Share of results of associate	(16)	378	(142)	528
Grants	(8,210)	(3,446)	(13,483)	(6,012)
	77,882	67,710	152,305	131,924
<i>Changes in working capital:</i>				
Inventories	604	(9,257)	(2,711)	(19,763)
Trade and other receivables	16,202	20,888	(13,963)	4,806
Trade and other payables	34,509	36,682	33,423	16,808
Cash generated from operations	129,197	116,023	169,054	133,775
Income taxes (paid)/refunded	(157)	(864)	(83)	106
Interest paid	-	-	(5,082)	(5,083)
Cash flows from operating activities	(a) 129,040	115,159	163,889	128,798
Investing activities				
Dividends received	-	-	206	206
Interest received	509	612	647	809
Purchase of property, plant and equipment	(154,327)	(51,340)	(248,579)	(513,575)
Proceeds from disposal of:				
- property, plant and equipment	439	311	745	1,004
Cash flows from investing activities	(b) (153,379)	(50,417)	(246,981)	(511,556)
Financing activities				
Proceeds from issue of shares under share option plan	-	38	-	46
Proceeds from issuance of unsecured quoted notes	-	-	100,000	-
Dividends paid	(18,258)	(15,210)	(18,258)	(15,210)
Proceeds from unclaimed dividends	35	-	35	-
Proceeds from borrowings	1,442	6,503	5,795	16,963
Grants received	4,409	2,670	10,653	7,796
Cash flows from financing activities	(c) (12,372)	(5,999)	98,225	9,595
Net (decrease)/increase in cash and cash equivalent	(d) (36,711)	58,743	15,133	(373,163)
Cash and cash equivalents at beginning of the period	207,244	114,593	155,524	546,294
Effect of exchange rate fluctuations on cash held	194	(66)	70	139
Cash and cash equivalents at end of the period	170,727	173,270	170,727	173,270
<u>Cash and cash equivalents at end of the period comprise:</u>				
Fixed deposits with banks and financial institutions	8,682	68,550	8,682	68,550
Cash at banks and in hand	162,045	104,720	162,045	104,720
	170,727	173,270	170,727	173,270

Notes to Consolidated Statement of Cash Flows:

- (a) Net cash inflow from operating activities of \$129.0 million for 2Q FY2015 and \$163.9 million for 1H FY2015, was higher compared to previous corresponding periods, due mainly to higher profitability and higher working capital cash inflow.
- (b) Net cash outflow from investing activities of \$153.4 million for 2Q FY2015 was higher compared to \$50.4 million for 2Q FY2014, due mainly to higher payment for purchase of property, plant and equipment. Net cash outflow from investing activities of \$247.0 million for 1H FY2015 was lower compared to \$511.6 million for 1H FY2014, due mainly to lower payment for purchase of property, plant and equipment.
- (c) Net cash outflow from financing activities of \$12.4 million for 2Q FY2015 was higher compared to \$6.0 million for 2Q FY2014, due mainly to higher dividends paid and lower proceeds from borrowings. Net cash inflow from financing activities of \$98.2 million for 1H FY2015 was higher compared to \$9.6 million for 1H FY2014, due mainly to proceeds from issuance of \$100.0 million fixed rate notes in June 2014.
- (d) Net decrease in cash and cash equivalents of \$36.7 million in 2Q FY2015 compared to a net increase in 2Q FY2014, was due to higher net investing and financing cash outflow partially offset by higher net operating cash inflow. Net increase in cash and cash equivalents of \$15.1 million in 1H FY2015 compared to a net decrease in 1H FY2014 was due to higher net financing and operating cash inflow, and lower net investing cash outflow.

1(e) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group		The Group	
	Jul - Sep 2014	Jul - Sep 2013	Apr - Sep 2014	Apr - Sep 2013
	\$'000	\$'000	\$'000	\$'000
Profit for the period	24,840	14,304	47,111	30,632
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	-	(361)	258	(670)
Effective portion of changes in fair value of cash flow hedge, net of tax	(96)	611	(96)	1,112
Change in fair value of cash flow hedge transferred to the income statement, net of tax	60	(827)	107	(1,017)
Currency translation differences arising from consolidation	2,406	(405)	685	2,400
Other comprehensive income/(loss) for the period, net of tax	2,370	(982)	954	1,825
Total comprehensive income for the period	27,210	13,322	48,065	32,457
Attributable to:				
Equity holders of SMRT	27,643	13,419	48,590	32,575
Non-controlling interest	(433)	(97)	(525)	(118)
	27,210	13,322	48,065	32,457

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 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

* Details of other comprehensive income 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 2013	167,496	(2,878)	1,547	(283)	2,560	599,806	768,248	312	768,560
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	16,349	16,349	(21)	16,328
Other comprehensive income/(loss), net of tax *	-	2,805	(309)	311	-	-	2,807	-	2,807
Total comprehensive income/(loss)	-	2,805	(309)	311	-	16,349	19,156	(21)	19,135
Transactions with owners of the Company, recorded directly in equity									
Issue of shares under SMRT ESOP	8	-	-	-	-	-	8	-	8
Value of employee services received for share-based payment	-	-	-	-	885	-	885	-	885
Total transactions with owners	8	-	-	-	885	-	893	-	893
At 30 Jun 2013	167,504	(73)	1,238	28	3,445	616,155	788,297	291	788,588
Total comprehensive income / (loss) for the period									
Profit / (Loss) for the period	-	-	-	-	-	14,401	14,401	(97)	14,304
Other comprehensive income/(loss), net of tax *	-	(405)	(361)	(216)	-	-	(982)	-	(982)
Total comprehensive income/(loss)	-	(405)	(361)	(216)	-	14,401	13,419	(97)	13,322
Transactions with owners of the Company, recorded directly in equity									
Issue of shares under SMRT ESOP	38	-	-	-	-	-	38	-	38
Issue of performance shares	698	-	-	-	(698)	-	-	-	-
Value of employee services received for share-based payment	-	-	-	-	(781)	-	(781)	-	(781)
Dividends paid	-	-	-	-	-	(15,210)	(15,210)	-	(15,210)
Total transactions with owners	736	-	-	-	(1,479)	(15,210)	(15,953)	-	(15,953)
At 30 Sep 2013	168,240	(478)	877	(188)	1,966	615,346	785,763	194	785,957

* Details of other comprehensive income 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 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
	Share Capital \$'000	Share-based Payment Reserve \$'000	Accumulated Profits \$'000	Total Equity \$'000
At 1 Apr 2013	167,496	2,560	235,207	405,263
Total comprehensive income/(loss) for the period				
Loss for the period	-	-	(15,286)	(15,286)
Transactions with owners, recorded directly in equity				
Issue of shares under SMRT ESOP	8	-	-	8
Value of employee services received for share-based payment	-	885	-	885
Total transactions with owners	8	885	-	893
At 30 Jun 2013	167,504	3,445	219,921	390,870
Total comprehensive income/(loss) for the period				
Profit for the period	-	-	1,011	1,011
Transactions with owners, recorded directly in equity				
Issue of shares under SMRT ESOP	38	-	-	38
Issue of performance shares	698	(698)	-	-
Value of employee services received for share-based payment	-	(781)	-	(781)
Dividends paid	-	-	(15,210)	(15,210)
Total transactions with owners	736	(1,479)	(15,210)	(15,953)
At 30 Sep 2013	168,240	1,966	205,722	375,928

- 1(f)(ii)** The total number of issued shares excluding treasury shares of the Company as at 30 September 2014 and 31 March 2014 were 1,522,138,046 and 1,521,508,246 respectively.

The Company did not hold any treasury shares in 2Q FY2015 and as at 30 September 2014 (30 September 2013: Nil).

As at 30 September 2014, 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 1,322,000 (30 September 2013: 2,457,600).

2. AUDIT

The figures for the quarters and periods ended 30 September 2014 and 30 September 2013 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 2014.

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 2014. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

- Amendment to FRS 32 – Offsetting Financial Assets and Financial Liabilities
- FRS 27 (Revised) – Separate Financial Statements
- FRS 28 (Revised) – Investments in Associates and Joint Ventures
- FRS 110 – Consolidated Financial Statements
- FRS 111 – Joint Arrangements
- FRS 112 – Disclosure of Interests in Other Entities

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

4. **REVIEW OF GROUP PERFORMANCE (2Q FY2015 AND 1H FY2015 AGAINST PREVIOUS CORRESPONDING PERIODS)**

4.1 **Overview**

Group **revenue** increased by \$17.7 million (6.0%) in 2Q FY2015 and \$30.1 million (5.2%) in 1H FY2015 compared to previous corresponding periods across all segments except LRT and Engineering Services.

Group's **Fare business** recorded an operating profit of \$5.5 million in 2Q FY2015 and \$4.4 million in 1H FY2015 compared to an operating loss in previous corresponding periods, due mainly to better performance in both the Train and Bus operations.

Operating profit from the Group's **Non-Fare business** increased by \$1.1 million (4.1%) in 2Q FY2015 and \$5.5 million (10.7%) in 1H FY2015, due largely to an increase in profit for Taxi, Rental and Advertising.

As a result, Group **operating profit** increased by \$13.3 million (66.5%) in 2Q FY2015 and \$20.4 million (48.3%) in 1H FY2015 compared to previous corresponding periods.

Group **profit attributable to equity holders of SMRT** was higher by \$10.9 million (75.5%) in 2Q FY2015 and \$16.9 million (54.9%) in 1H FY2015 compared to previous corresponding periods.

4.2 **Explanatory notes to Consolidated Income Statement**

Other operating income increased by \$2.6 million (27.7%) in 2Q FY2015 and \$5.9 million (30.8%) in 1H FY2015 due mainly to higher BSEP grants. BSEP grants were utilised to recover part of the increased operating costs incurred for BSEP buses.

Staff costs increased by \$4.5 million (3.8%) in 2Q FY2015 and \$10.8 million (4.7%) in 1H FY2015 due mainly to increased headcount and salary increments.

Depreciation increased by \$4.1 million (9.1%) in 2Q FY2015 and \$9.1 million (10.4%) in 1H FY2015 due mainly to capitalisation of a newer taxi as well as a larger train fleet.

Repairs and maintenance costs increased by \$1.9 million (3.4%) in 1H FY2015 due mainly to Circle Line trains undergoing the first scheduled overhaul since operations started in FY2010 and higher cleaning costs. An aging taxi fleet also contributed to the increase in repairs and maintenance.

Electricity and diesel costs decreased by \$3.8 million (8.7%) in 2Q FY2015 and \$6.9 million (7.9%) in 1H FY2015 due mainly to lower average electricity tariff partially offset by higher diesel cost and consumption.

Finance costs were higher in 2Q FY2015 and 1H FY2015 due to the interest cost from the issuance of \$100 million fixed rate notes in June 2014.

5. **REVIEW OF SEGMENT PERFORMANCE (2Q FY2015 AND 1H FY2015 AGAINST PREVIOUS CORRESPONDING PERIODS)**

A segmental breakdown by business is provided under note 9.

	Second Quarter			Year-to-date		
	2Q FY2015	2Q FY2014	Increase / (Decrease)	YTD FY2015	YTD FY2014	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Fare business</u>						
Revenue	228,449	218,406	4.6	446,870	428,146	4.4
Operating profit/(loss)	5,485	(6,790)	180.8	4,355	(12,299)	135.4
<u>Train operations</u>						
Revenue	165,241	160,494	3.0	323,129	314,015	2.9
Operating profit	7,623	1,018	648.8	12,583	3,879	224.4
<u>LRT operations</u>						
Revenue	2,489	2,721	(8.5)	4,949	5,347	(7.4)
Operating loss	(705)	(428)	(64.7)	(1,271)	(979)	(29.8)
<u>Bus operations</u>						
Revenue	60,719	55,191	10.0	118,792	108,784	9.2
Operating loss	(1,433)	(7,380)	80.6	(6,957)	(15,199)	54.2
<u>Non-Fare business</u>						
Revenue	85,548	77,861	9.9	164,261	152,917	7.4
Operating profit	27,165	26,100	4.1	57,071	51,577	10.7
<u>Taxi operations</u>						
Revenue	35,081	32,396	8.3	69,523	65,350	6.4
Operating profit	3,388	2,080	62.9	7,544	4,333	74.1
<u>Rental</u> ³						
Revenue	30,123	24,215	24.4	55,956	47,693	17.3
Operating profit	19,047	18,579	2.5	39,092	36,254	7.8
<u>Advertising</u> ⁴						
Revenue	9,365	8,553	9.5	18,722	16,785	11.5
Operating profit	5,194	4,751	9.3	10,801	9,501	13.7
<u>Engineering Services</u>						
Revenue	3,684	6,567	(43.9)	6,499	10,253	(36.6)
Operating (loss)/profit	(923)	947	(197.5)	(696)	1,745	(139.9)
<u>Other Services</u>						
Revenue	7,295	6,130	19.0	13,561	12,836	5.6
Operating profit/(loss)	459	(257)	278.6	330	(256)	228.9
<u>Investment holding & Support Services / Consolidation elimination & adjustments</u>						
Revenue	-	-	n.m.	-	-	n.m.
Operating profit	662	703	(5.8)	1,195	2,941	(59.4)
<u>Total</u>						
Revenue	313,997	296,267	6.0	611,131	581,063	5.2
Operating profit	33,312	20,013	66.5	62,621	42,219	48.3

Revenue from **Train operations** increased by \$4.7 million (3.0%) in 2Q FY2015 and \$9.1 million (2.9%) in 1H FY2015 due to higher ridership and average fare. Operating profit increased by \$6.6 million in 2Q FY2015 on the back of higher revenue and lower electricity costs, partially offset by higher depreciation. Operating profit increased by \$8.7 million in 1H FY2015 due to higher revenue and lower electricity costs, partially offset by higher depreciation and staff costs.

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.

Operating loss from **LRT operations** of \$0.7 million in 2Q FY2015 and \$1.3 million in 1H FY2015 widened compared to previous corresponding periods, due mainly to lower revenue, and higher repairs and maintenance, partially offset by lower electricity costs.

Revenue from **Bus operations** increased by \$5.5 million (10.0%) in 2Q FY2015 and \$10.0 million (9.2%) in 1H FY2015 due to increased ridership and average fare. A lower operating loss at \$1.4 million in 2Q FY2015 and \$7.0 million in 1H FY2015 were recorded due mainly to higher revenue partially offset by higher staff, diesel costs and contribution to the Public Transport Fund as part of the conditions set in the fare adjustment that took effect on 6 April 2014.

Taxi operating profit increased by \$1.3 million (62.9%) in 2Q FY2015 and \$3.2 million (74.1%) in 1H FY2015 due to higher rental contribution and lower special tax on diesel vehicles arising from replacement of diesel taxis with hybrid taxis, and lower insurance expense resulting from better claim experience.

Rental revenue increased by \$5.9 million (24.4%) in 2Q FY2015 and \$8.3 million (17.3%) in 1H FY2015 due mainly to higher rental renewal rates of commercial spaces and rental revenue from the Kallang Wave mall. Operating profit increased by \$0.5 million (2.5%) in 2Q FY2015 and \$2.8 million (7.8%) in 1H FY2015 due to higher revenue partially offset by higher operating costs.

Advertising revenue increased by \$0.8 million (9.5%) in 2Q FY2015 and \$1.9 million (11.5%) in 1H FY2015 due mainly to increased advertising on trains and stations, and taxis. Consequently, operating profit increased by \$0.4 million (9.3%) in 2Q FY2015 and \$1.3 million (13.7%) in 1H FY2015.

Engineering Services revenue decreased by \$2.9 million (43.9%) in 2Q FY2015 and \$3.8 million (36.6%) in 1H FY2015 due mainly to lower revenue from overseas consultancy projects. Operating loss of \$0.9 million in 2Q FY2015 and \$0.7 million in 1H FY2015 were due mainly to lower contribution from overseas consultancy projects and expenses associated with the newly set up Singapore Rail Engineering Pte Ltd.

Revenue of **Other Services** increased by \$1.2 million (19.0%) in 2Q FY2015 and \$0.7 million (5.6%) in 1H FY2015 due mainly to higher revenue from external fleet maintenance. As a result, operating profit of \$0.5 million in 2Q FY2015 and \$0.3 million in 1H FY2015 were recorded.

6. REVIEW OF PROSPECTS STATEMENT

The results for 2Q FY2015 are consistent with the prospects statement issued during the announcement of the 1Q FY2015 results.

7. PROSPECTS

The Fare business environment will continue to be challenging owing to heightened operational demands on service, reliability and capacity. The Group will strive to achieve further gains from its ongoing productivity improvement efforts and initiatives to help mitigate the impact of the increased cost pressures. The Group is continuing its discussions with the authorities on the transition to a new rail financing framework.

The recent tender called by the authorities on the first package of routes under the new bus contracting model will not have an impact on the results of the Group for the next 12 months.

The Group will continue to grow its Non-Fare business by building on its rail engineering capabilities, and exploring local out-of-network and international opportunities.

8. **DIVIDENDS**

(a) Current Financial Period Reported on

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (in cents)	1.50
Tax rate	Tax exempt one-tier

(b) Previous Corresponding Period Reported

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (in cents)	1.00
Tax rate	Tax exempt one-tier

(c) Notice of Books Closure

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed on 10 November 2014 for the preparation of dividend warrants. Duly completed registrable transfers of the ordinary shares in the capital of the Company ("Shares") received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on 7 November 2014 will be registered to determine members' entitlements to the proposed interim dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 7 November 2014 will be entitled to the proposed interim dividend. Payment of the interim dividend will be made on 20 November 2014.

9. SEGMENT INFORMATION

	-----Rail-----		Bus	Taxi			Engineering	Other	Investment	Consolidation	
	Train	LRT	operations	operations	Rental ⁵	Advertising ⁶	Services	Services	holding and	elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	support services	& adjustments	\$'000
Revenue and expenses											
2Q FY2015											
Revenue											
- external customers	165,241	2,489	60,719	35,081	30,123	9,365	3,684	7,295	-	-	313,997
- inter-segment	-	-	25	-	-	50	159	135	16,897	(17,266)	-
Operating expenses (net of other income)	(132,193)	(3,135)	(55,781)	(21,708)	(7,776)	(3,509)	(4,762)	(6,933)	(15,260)	17,266	(233,791)
Depreciation and amortisation	(25,425)	(59)	(6,396)	(9,985)	(3,300)	(712)	(4)	(38)	(930)	(45)	(46,894)
Segment operating results	7,623	(705)	(1,433)	3,388	19,047	5,194	(923)	459	707	(45)	33,312
Finance costs											(3,440)
Interest income											303
Investment income											-
Share of results of associate											16
Income tax expense											(5,351)
Profit after taxation											24,840
Non-controlling interest											433
Profit for the period attributable to equity holders of SMRT											25,273
2Q FY2014											
Revenue											
- external customers	160,494	2,721	55,191	32,396	24,215	8,553	6,567	6,130	-	-	296,267
- inter-segment	-	-	40	-	-	9	66	142	13,095	(13,352)	-
Operating expenses (net of other income)	(136,147)	(3,118)	(56,056)	(22,028)	(2,713)	(3,106)	(5,683)	(6,482)	(11,486)	13,352	(233,467)
Depreciation and amortisation	(23,329)	(31)	(6,555)	(8,288)	(2,923)	(705)	(3)	(47)	(845)	(61)	(42,787)
Segment operating results	1,018	(428)	(7,380)	2,080	18,579	4,751	947	(257)	764	(61)	20,013
Finance costs											(2,626)
Interest income											375
Investment income											-
Share of results of associate											(378)
Income tax expense											(3,080)
Profit after taxation											14,304
Non-controlling interest											97
Profit for the period attributable to equity holders of SMRT											14,401

Management monitors the results of its business units for the purpose of making business decisions about resource allocation and performance assessment. In FY2014, the segments were restructured to reflect changes in business control and activities for bus operations, engineering services and other services. Management believes that the revised segment presentation is more relevant in evaluating the results of these segment operations.

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	
	Train	LRT	operations	operations	\$'000	\$'000	Services	Services	holding and	elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	support services	& adjustments	\$'000
Revenue and expenses											
YTD FY2015											
Revenue											
- external customers	323,129	4,949	118,792	69,523	55,956	18,722	6,499	13,561	-	-	611,131
- inter-segment	-	-	137	-	-	137	297	283	28,793	(29,647)	-
Operating expenses (net of other income)	(260,778)	(6,100)	(113,156)	(42,499)	(10,569)	(6,632)	(7,484)	(13,432)	(25,689)	29,647	(456,692)
Depreciation and amortisation	(49,768)	(120)	(12,730)	(19,480)	(6,295)	(1,426)	(8)	(82)	(1,818)	(91)	(91,818)
Segment operating results	12,583	(1,271)	(6,957)	7,544	39,092	10,801	(696)	330	1,286	(91)	62,621
Finance costs											(6,247)
Interest income											633
Investment income											206
Share of results of associate											142
Income tax expense											(10,244)
Profit after taxation											47,111
Non-controlling interest											525
Profit for the period attributable to equity holders of SMRT											47,636
YTD FY2014											
Revenue											
- external customers	314,015	5,347	108,784	65,350	47,693	16,785	10,253	12,836	-	-	581,063
- inter-segment	-	-	73	-	-	29	276	340	28,759	(29,477)	-
Operating expenses (net of other income)	(265,451)	(6,267)	(111,266)	(44,729)	(5,715)	(6,033)	(8,778)	(13,343)	(24,042)	29,477	(456,147)
Depreciation and amortisation	(44,685)	(59)	(12,790)	(16,288)	(5,724)	(1,280)	(6)	(89)	(1,653)	(123)	(82,697)
Segment operating results	3,879	(979)	(15,199)	4,333	36,254	9,501	1,745	(256)	3,064	(123)	42,219
Finance costs											(5,227)
Interest income											768
Investment income											206
Share of results of associate											(528)
Income tax expense											(6,806)
Profit after taxation											30,632
Non-controlling interest											118
Profit for the period attributable to equity holders of SMRT											30,750

Management monitors the results of its business units for the purpose of making business decisions about resource allocation and performance assessment. In FY2014, the segments were restructured to reflect changes in business control and activities for bus operations, engineering services and other services. Management believes that the revised segment presentation is more relevant in evaluating the results of these segment operations.

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 2Q FY2015 and 1H FY2015 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)	
	2Q FY2015	1H FY2015	2Q FY2015	1H FY2015
	\$ '000	\$ '000	\$ '000	\$ '000
<u>Sale of Goods and Services</u>				
Certis CISCO Aviation Security Pte Ltd	-	268	-	-
Singapore Telecommunications Ltd ⁽¹⁾	156	181	-	-
SingTel Mobile Singapore Pte Ltd ⁽¹⁾	-	796	-	-
ST Synthesis Pte Ltd ⁽²⁾	136	136	-	-
SIA Engineering Company Limited	168	168	-	-
<u>Purchases of Goods and Services</u>				
Singapore Technologies Kinetics Ltd ⁽²⁾	-	119,687	-	-
Starhub Ltd	-	205	-	-
Total	460	121,441	-	-

(1) Part of SingTel Group

(2) Part of Singapore Technologies Engineering Group

BY ORDER OF THE BOARD

Ms Jacquelin Tay Gek Poh
Company Secretary
SMRT Corporation Ltd

31 October 2014

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 2Q FY2015 and 1H FY2015 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

31 October 2014