

SMRT CORPORATION LTD

(Company Registration No: 200001855H)

Results for the Fourth Quarter ended 31 March 2015

The Directors of SMRT Corporation Ltd wish to announce the unaudited results of the Group for the fourth quarter ended 31 March 2015 ("4Q FY2015") and the audited results for the full year ended 31 March 2015 ("FY2015").

1(a)(i) CONSOLIDATED INCOME STATEMENT

	The Group					
	Jan - Mar	Jan - Mar	Increase/	Apr - Mar	Apr - Mar	Increase/
	2015	2014	(Decrease)	2015	2014	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	311,213	289,526	7.5	1,235,535	1,163,893	6.2
- Rail	161,767	155,985	3.7	653,999	634,145	3.1
- Bus	60,262	54,825	9.9	238,140	217,795	9.3
- Non-Fare	89,184	78,716	13.3	343,396	311,953	10.1
Other operating income	19,268	12,436	54.9	57,961	42,146	37.5
	330,481	301,962	9.4	1,293,496	1,206,039	7.3
Staff costs	(121,240)	(111,525)	8.7	(483,593)	(462,360)	4.6
Depreciation of property, plant and equipment	(54,149)	(47,794)	13.3	(203,155)	(181,179)	12.1
Amortisation of asset-related grants	2,746	2,427	13.1	10,025	9,877	1.5
Repairs and maintenance costs	(34,420)	(29,292)	17.5	(121,850)	(112,902)	7.9
Electricity and diesel costs	(34,895)	(38,108)	(8.4)	(150,655)	(163,517)	(7.9)
Other operating expenses	(61,375)	(55,761)	10.1	(223,461)	(211,724)	5.5
Total expenses	(303,333)	(280,053)	8.3	(1,172,689)	(1,121,805)	4.5
Profit/(Loss) from operations	27,148	21,909	23.9	120,807	84,234	43.4
- Rail	(3,907)	458	(953.1)	8,732	1,062	722.2
- Bus	312	(4,450)	107.0	(7,993)	(28,484)	71.9
- Non-Fare	30,743	25,901	18.7	120,068	111,656	7.5
Finance costs	(3,101)	(2,578)	20.3	(12,527)	(10,431)	20.1
Interest and investment income	289	(92)	414.1	1,587	1,270	25.0
Share of results of associates and joint ventures (net of tax)	1,031	341	202.3	989	(418)	336.6
Profit before income tax	25,367	19,580	29.6	110,856	74,655	48.5
Income tax expense	(4,591)	(2,835)	61.9	(20,402)	(13,157)	55.1
Profit after taxation	20,776	16,745	24.1	90,454	61,498	47.1
Attributable to:						
Equity holders of SMRT	20,815	16,918	23.0	91,000	61,902	47.0
Non-controlling interest	(39)	(173)	77.5	(546)	(404)	(35.1)
Profit for the period	20,776	16,745	24.1	90,454	61,498	47.1

	The Group					
	Jan - Mar	Jan - Mar	Increase/	Apr - Mar	Apr - Mar	Increase/
	2015	2014	(Decrease)	2015	2014	(Decrease)
			%			%
EBITDA (\$'000)	78,551	67,276	16.8	313,937	255,536	22.9
EBITDA margin	25.2%	23.2%	2.0	25.4%	22.0%	3.4
EBIT margin	8.7%	7.6%	1.1	9.8%	7.2%	2.6
PAT margin	6.7%	5.8%	0.9	7.3%	5.3%	2.0
Interest coverage (x)	25.3	26.1	(2.9)	25.1	24.5	2.3
Earnings Per Share (EPS) (cents)						
- basic	1.4	1.1	23.0	6.0	4.1	46.9
- diluted	1.4	1.1	22.8	6.0	4.1	46.9
Economic Value Added (EVA) (\$'000)	5,715	2,188	161.2	28,915	7,290	296.6
Return On Equity (ROE)				11.0%	7.9%	3.1

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

	The Group			
	Jan - Mar	Jan - Mar	Apr - Mar	Apr - Mar
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<i>After Charging/(Crediting) :-</i>				
- Impairment loss made for trade receivables	272	88	1,066	298
- (Write-back)/Allowance for obsolete inventories	(130)	(79)	(165)	414
- Inventory written off	260	54	294	146
- Foreign exchange (gain)/loss	(87)	131	150	86
- Loss/(Gain) on disposal of property, plant and equipment	392	(949)	124	(1,874)
- Property, plant and equipment (written back)/written off	(629)	582	4,815	1,126
- Under/(Over) provision of tax in respect of prior years	824	(26)	1,343	(36)

1(b) EARNINGS PER ORDINARY SHARE

	The Group					
	Jan - Mar	Jan - Mar	Increase/	Apr - Mar	Apr - Mar	Increase/
	2015	2014	(Decrease)	2015	2014	(Decrease)
			%			%
Earnings per ordinary share (cents)*:-						
(a) Basic	1.4	1.1	23.0	6.0	4.1	46.9
- Weighted average number of shares for basic EPS ('000)	1,522,138	1,521,508		1,521,981	1,521,376	
(b) Fully Diluted	1.4	1.1	22.8	6.0	4.1	46.9
- Weighted average number of shares for diluted EPS ('000)	1,526,315	1,523,846		1,524,611	1,523,179	

* To the nearest 0.1 cents

1(c)(i) BALANCE SHEETS

Notes	The Group		The Company	
	As at	As at	As at	As at
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	2,042,484	1,641,769	12,420	11,537
Intangible asset	13,614	13,614	-	-
Investments in subsidiaries	-	-	325,823	325,823
Interests in associates and joint ventures	55,768	52,629	-	-
Other investments	20,629	20,713	-	-
	<u>2,132,495</u>	<u>1,728,725</u>	<u>338,243</u>	<u>337,360</u>
Current assets				
Inventories	80,917	84,325	-	-
Trade and other receivables	167,684	98,938	69,705	78,965
Other investments	-	5,000	-	-
Fixed deposits with banks and financial institutions	9,358	8,615	-	-
Cash at banks and in hand	146,759	146,909	6,904	5,682
	<u>404,718</u>	<u>343,787</u>	<u>76,609</u>	<u>84,647</u>
Total assets	(a) <u>2,537,213</u>	<u>2,072,512</u>	<u>414,852</u>	<u>422,007</u>
Equity attributable to equity holders of SMRT				
Share capital	169,143	168,240	169,143	168,240
Reserves	9,145	2,229	3,185	1,977
Accumulated profits	681,228	631,283	215,177	227,759
	<u>859,516</u>	<u>801,752</u>	<u>387,505</u>	<u>397,976</u>
Non-controlling interest	(638)	(92)	-	-
Total equity	<u>858,878</u>	<u>801,660</u>	<u>387,505</u>	<u>397,976</u>
Non-current liabilities				
Interest-bearing borrowings	812,671	480,017	-	-
Provisions	32	25	-	-
Deferred tax liabilities	165,649	155,808	1,510	1,435
Fuel equalisation account	20,312	20,312	-	-
Deferred grants	39,758	48,949	-	42
	<u>1,038,422</u>	<u>705,111</u>	<u>1,510</u>	<u>1,477</u>
Current liabilities				
Interest-bearing borrowings	8,934	156,393	-	-
Trade and other payables	568,231	355,183	25,259	22,302
Provisions	57,895	50,263	578	252
Current tax payable	4,853	3,902	-	-
	<u>639,913</u>	<u>565,741</u>	<u>25,837</u>	<u>22,554</u>
Total liabilities	(b) <u>1,678,335</u>	<u>1,270,852</u>	<u>27,347</u>	<u>24,031</u>
Total equity and liabilities	<u>2,537,213</u>	<u>2,072,512</u>	<u>414,852</u>	<u>422,007</u>

Notes to Balance Sheets:

- (a) Total assets increased by \$464.7 million (22.4%) due mainly to higher property, plant and equipment (\$400.7 million), and trade and other receivables (\$68.7 million).

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

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

- (b) Total liabilities increased by \$407.5 million (32.1%) due mainly to higher borrowings (\$185.2 million) and trade and other payables (\$213.0 million).

The higher borrowings was due mainly to the issuance of \$100 million 10-year fixed rate notes in June 2014 and \$200 million 3-year fixed rate notes in October 2014, that were offset by the repayment of \$150 million fixed rate notes in October 2014.

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

As at 31 March 2015, the Group was in a net current liabilities position of \$235.2 million, primarily due to higher trade and other payables, which was mainly attributable to the 13 new North-South East-West line trains and 3 new LRT trains acquired to improve train services and meet new operating reliability standards. In addition, current liabilities also include deposits from commercial tenants of \$38.7 million and provisions of \$57.9 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. The Group has sufficient undrawn bank financing facilities as well as multicurrency medium term note programmes to meet commitments as and when they fall due.

1(c)(ii) GROUP'S BORROWINGS

	As at 31 Mar 2015 \$'000	As at 31 Mar 2014 \$'000
<u>Amount repayable in one year or less, or on demand</u>		
Secured SGD fixed rate loan - at 6.0% per annum	4,884	2,343
Unsecured SGD fixed rate loan - at 4.0% per annum	4,050	4,050
Unsecured quoted SGD fixed rate notes - at 2.42% per annum due October 2014	-	150,000
Total unsecured borrowings	4,050	154,050
	<u>8,934</u>	<u>156,393</u>

Amount repayable after one year

Secured SGD fixed rate loan - at 6.0% per annum	62,671	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	-
Unsecured quoted SGD fixed rate notes - at 1.388% per annum due October 2017	200,000	-
Total unsecured borrowings	750,000	450,000
	<u>812,671</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 31 Mar 2015
	As at 31 Mar 2014
Net gearing	0.77
	0.60

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

	The Group		The Company	
	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2015	As at 31 Mar 2014
Net asset value per ordinary share (cents)	56.5	52.7	25.5	26.2
Net tangible asset per ordinary share ¹ (cents)	55.6	51.8	25.5	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			
	Jan - Mar	Jan - Mar	Apr - Mar	Apr - Mar
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Notes				
Operating activities				
Profit before income tax	25,367	19,580	110,856	74,655
<i>Adjustments for:</i>				
Amortisation of asset-related grants	(2,746)	(2,427)	(10,025)	(9,877)
Depreciation of property, plant and equipment	54,149	47,794	203,155	181,179
Dividend income	-	-	(206)	(206)
Grant released upon disposal/write-off of property, plant and equipment	-	-	(3)	(19)
Interest expense	3,101	2,578	12,527	10,431
Interest income	(289)	92	(1,381)	(1,064)
Loss/(Gain) on disposal of property, plant and equipment	392	(949)	124	(1,874)
Property, plant and equipment (written back)/written off	(629)	582	4,815	1,126
Provisions made	5,814	4,722	20,994	22,254
Share-based payment expenses	533	17	2,111	115
Share of results of associates and joint ventures (net of tax)	(1,031)	(341)	(989)	418
Grants	(12,255)	(4,907)	(33,585)	(15,207)
	72,406	66,741	308,393	261,931
<i>Changes in working capital:</i>				
Inventories	5,915	(698)	3,408	(24,424)
Trade and other receivables	(16,378)	2,649	(42,655)	4,806
Trade and other payables	27,075	(10,932)	29,241	6,844
Cash generated from operations	89,018	57,760	298,387	249,157
Income taxes paid	(8,864)	(2,186)	(9,041)	(4,544)
Interest paid	(226)	-	(11,960)	(10,194)
Cash flows from operating activities	(a) 79,928	55,574	277,386	234,419
Investing activities				
Dividends received	-	-	206	206
Interest received	553	579	1,383	1,546
Investments in joint ventures	(350)	-	(1,500)	-
Purchase of property, plant and equipment	(102,849)	(48,182)	(462,543)	(651,882)
Proceeds from disposal of:				
- property, plant and equipment	307	1,216	1,619	2,553
- other investments	5,000	5,000	5,000	5,000
Cash flows from investing activities	(b) (97,339)	(41,387)	(455,835)	(642,577)
Financing activities				
Proceeds from issuance of shares under share option plan	-	-	-	46
Proceeds from issuance of unsecured quoted notes	-	-	300,000	-
Repayment of financial liabilities	(49,900)	-	(199,900)	-
Dividends paid	-	-	(41,090)	(30,425)
Proceeds from unclaimed dividends	-	-	35	-
Proceeds from borrowings	13,612	8,472	88,698	28,658
Grants received	11,984	5,050	30,492	18,899
Cash flows from financing activities	(c) (24,304)	13,522	178,235	17,178
Net (decrease)/increase in cash and cash equivalents	(d) (41,715)	27,709	(214)	(390,980)
Cash and cash equivalents at beginning of the period	197,424	127,809	155,524	546,294
Effect of exchange rate fluctuations on cash held	408	6	807	210
Cash and cash equivalents at end of the period	156,117	155,524	156,117	155,524
Cash and cash equivalents at end of the period comprise:				
Fixed deposits with banks and financial institutions	9,358	8,615	9,358	8,615
Cash at banks and in hand	146,759	146,909	146,759	146,909
	156,117	155,524	156,117	155,524

Notes to Consolidated Statement of Cash Flows:

- (a) Net cash inflow from operating activities of \$79.9 million for 4Q FY2015 was higher compared to \$55.6 million for 4Q FY2014, due mainly to working capital cash inflow and higher profitability. Net cash inflow from operating activities of \$277.4 million for FY2015 was higher compared to \$234.4 million for FY2014, due mainly to higher profitability.
- (b) Net cash outflow from investing activities of \$97.3 million for 4Q FY2015 was higher compared to \$41.4 million for 4Q FY2014, due mainly to higher payment for purchase of property, plant and equipment. Net cash outflow from investing activities of \$455.8 million for FY2015 was lower compared to \$642.6 million for FY2014, due mainly to lower payment for purchase of property, plant and equipment.
- (c) Net cash outflow from financing activities of \$24.3 million for 4Q FY2015 compared to net cash inflow of \$13.5 million for 4Q FY2014 was due mainly to repayment of financial liabilities. Net cash inflow from financing activities of \$178.2 million for FY2015 was higher compared to \$17.2 million for FY2014, due mainly to proceeds from issuance of \$300 million fixed rate notes and higher proceeds from borrowings, partially offset by repayment of financial liabilities.
- (d) Net decrease in cash and cash equivalents of \$41.7 million in 4Q FY2015 compared to a net increase in 4Q FY2014, was due to higher net investing cash outflow and net financing cash outflow, partially offset by higher operating cash inflow. Net decrease in cash and cash equivalents of \$0.2 million in FY2015 was lower compared to 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			
	Jan - Mar	Jan - Mar	Apr - Mar	Apr - Mar
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Profit for the period	20,776	16,745	90,454	61,498
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	(309)	(103)	(51)	(1,031)
Effective portion of changes in fair value of cash flow hedge, net of tax	(623)	-	(4,753)	1,112
Change in fair value of cash flow hedge transferred to the income statement, net of tax	2,569	47	4,217	(923)
Currency translation differences arising from consolidation	3,474	(974)	6,295	2,708
Other comprehensive income/(loss) for the period, net of tax	5,111	(1,030)	5,708	1,866
Total comprehensive income for the period	25,887	15,715	96,162	63,364
Attributable to:				
Equity holders of SMRT	25,926	15,888	96,708	63,768
Non-controlling interest	(39)	(173)	(546)	(404)
	25,887	15,715	96,162	63,364

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 2013	167,496	(2,878)	1,547	(283)	2,560	599,806	768,248	312	768,560
Total comprehensive income/(loss) for the year									
Profit/(Loss) for the year	-	-	-	-	-	61,902	61,902	(404)	61,498
Other comprehensive income/(loss), net of tax*	-	2,708	(1,031)	189	-	-	1,866	-	1,866
Total comprehensive income/(loss)	-	2,708	(1,031)	189	-	61,902	63,768	(404)	63,364
Transactions with owners of the Company, recorded directly in equity									
Issue of shares under SMRT ESOP	46	-	-	-	-	-	46	-	46
Issue of performance shares	698	-	-	-	(698)	-	-	-	-
Value of employee services received for share-based payment	-	-	-	-	115	-	115	-	115
Dividends paid	-	-	-	-	-	(30,425)	(30,425)	-	(30,425)
Total transactions with owners	744	-	-	-	(583)	(30,425)	(30,264)	-	(30,264)
At 31 Mar 2014	168,240	(170)	516	(94)	1,977	631,283	801,752	(92)	801,660
At 1 Apr 2014	168,240	(170)	516	(94)	1,977	631,283	801,752	(92)	801,660
Total comprehensive income/(loss) for the year									
Profit/(Loss) for the year	-	-	-	-	-	91,000	91,000	(546)	90,454
Other comprehensive income/(loss), net of tax*	-	6,295	(51)	(536)	-	-	5,708	-	5,708
Total comprehensive income/(loss)	-	6,295	(51)	(536)	-	91,000	96,708	(546)	96,162
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	-	-	-	-	2,111	-	2,111	-	2,111
Dividends paid	-	-	-	-	-	(41,090)	(41,090)	-	(41,090)
Proceeds from unclaimed dividends	-	-	-	-	-	35	35	-	35
Total transactions with owners	903	-	-	-	1,208	(41,055)	(38,944)	-	(38,944)
At 31 Mar 2015	169,143	6,125	465	(630)	3,185	681,228	859,516	(638)	858,878

* 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 2013	167,496	2,560	235,207	405,263
Total comprehensive income for the year				
Profit for the year	-	-	22,977	22,977
Transactions with owners, recorded directly in equity				
Issue of shares under SMRT ESOP	46	-	-	46
Issue of performance shares	698	(698)	-	-
Value of employee services received for share-based payment	-	115	-	115
Dividends paid	-	-	(30,425)	(30,425)
Total transactions with owners	744	(583)	(30,425)	(30,264)
At 31 Mar 2014	168,240	1,977	227,759	397,976
At 1 Apr 2014	168,240	1,977	227,759	397,976
Total comprehensive income for the year				
Profit for the year	-	-	28,473	28,473
Transactions with owners, recorded directly in equity				
Issue of performance shares	903	(903)	-	-
Value of employee services received for share-based payment	-	2,111	-	2,111
Dividends paid	-	-	(41,090)	(41,090)
Proceeds from unclaimed dividends	-	-	35	35
Total transactions with owners	903	1,208	(41,055)	(38,944)
At 31 Mar 2015	169,143	3,185	215,177	387,505

- 1(f)(ii)** The total number of issued shares excluding treasury shares of the Company as at 31 March 2015 and 31 March 2014 were 1,522,138,046 and 1,521,508,246 respectively.

The Company did not hold any treasury shares in 4Q FY2015 and as at 31 March 2015 (31 March 2014: Nil).

In FY2015, the Company released 629,800 shares awarded under the SMRT Corporation Restricted Share Plan ("SMRT RSP").

As at 31 March 2015, the number of outstanding conditional shares awarded under the SMRT Corporation RSP and SMRT Corporation Performance Share Plan ("SMRT PSP") was 4,177,392 (31 March 2014: 2,337,700).

2. AUDIT

The figures for the quarters ended 31 March 2015 and 31 March 2014 have not been audited by our external auditors. The figures for the years ended 31 March 2015 and 31 March 2014 have been audited by our auditors, PricewaterhouseCoopers LLP, in accordance with Singapore Standards on Auditing. Please refer to the Independent Auditor's Report below.

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 (4Q FY2015 AND FY2015 AGAINST PREVIOUS CORRESPONDING PERIODS)

4.1 Overview

Group **revenue** increased by \$21.7 million (7.5%) in 4Q FY2015 and \$71.6 million (6.2%) in FY2015 compared to previous corresponding periods across most segments.

Group's **Fare business** recorded an operating loss of \$3.2 million in 4Q FY2015 primarily from the Train operations which suffered its first ever quarterly loss of \$2.4 million. The loss was partially mitigated by improvement in the Bus operations which recorded an operating profit of \$0.9 million after 17 consecutive quarters of losses.

Overall, the Group's Fare business registered an operating profit of \$3.1 million in FY2015 compared to an operating loss in previous corresponding year, due mainly to better performance in the Bus operations.

Operating profit from the Group's **Non-Fare business** increased by \$2.5 million (9.2%) in 4Q FY2015 and \$8.8 million (8.3%) in FY2015, due largely to an increase in profit for Rental segment and Taxi operations.

As a result, Group **operating profit** increased by \$5.2 million (23.9%) in 4Q FY2015 and \$36.6 million (43.4%) in FY2015 compared to previous corresponding periods.

Group **profit attributable to equity holders of SMRT** was higher by \$3.9 million (23.0%) in 4Q FY2015 and \$29.1 million (47.0%) in FY2015 compared to previous corresponding periods.

4.2 Explanatory notes to Consolidated Income Statement

Other operating income increased by \$6.8 million (54.9%) in 4Q FY2015 and \$15.8 million (37.5%) in FY2015 due mainly to higher BSEP grants to cover the increased operating costs incurred for BSEP buses, and funding from Public Transport Security Committee ("PTSC") to partially offset the increased expenditure from heightened security standards.

Staff costs increased by \$9.7 million (8.7%) in 4Q FY2015 and \$21.2 million (4.6%) in FY2015 due mainly to increased headcount and salary increments.

Depreciation increased by \$6.4 million (13.3%) in 4Q FY2015 and \$22.0 million (12.1%) in FY2015 due mainly to capitalisation of a larger train fleet as well as new taxis.

Repairs and maintenance costs increased by \$5.1 million (17.5%) in 4Q FY2015 and \$8.9 million (7.9%) in FY2015 due mainly to more trains undergoing scheduled overhaul, a more intensified maintenance regime and higher cleaning costs in Train operations. Repairs and maintenance for Taxi increased due to a larger fleet and overhaul works in line with the life cycle of the fleet.

Electricity and diesel costs decreased by \$3.2 million (8.4%) in 4Q FY2015 and \$12.9 million (7.9%) in FY2015 due mainly to lower average electricity tariff and diesel cost, partially offset by higher consumption arising from a larger train and bus fleet, and increased train runs.

Other operating expenses increased by \$5.6 million (10.1%) in 4Q FY2015 and \$11.7 million (5.5%) in FY2015, due mainly to costs associated with Kallang Wave mall and contribution to the Public Transport Fund ("PTF") as part of the conditions set in the fare adjustment that took effect on 6 April 2014, partially offset by lower accident claim and insurance expenses.

Finance costs were higher in 4Q FY2015 and FY2015 due mainly to the interest costs from the issuance of \$100 million fixed rate notes in June 2014 and \$200 million fixed rate notes in October 2014, partially offset by the repayment of \$150 million fixed rate notes in October 2014.

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 and Railise. The higher profit was due mainly to improved financial performance of Shenzhen Zona partially offset by start-up costs incurred for Hailo Singapore and Railise.

5. **REVIEW OF SEGMENT PERFORMANCE (4Q FY2015 AND FY2015 AGAINST PREVIOUS CORRESPONDING PERIODS)**

A segmental breakdown by business is provided under note 11.

	Fourth Quarter			Year-to-date		
	4Q FY2015 \$'000	4Q FY2014 \$'000	Increase / (Decrease) %	FY2015 \$'000	FY2014 \$'000	Increase / (Decrease) %
<u>Fare business</u>						
Revenue	222,029	210,810	5.3	892,139	851,940	4.7
Operating profit/(loss)	(3,211)	(3,756)	14.5	3,066	(24,964)	112.3
<u>Train operations</u>						
Revenue	159,319	153,504	3.8	644,242	623,805	3.3
Operating profit/(loss)	(2,394)	1,182	(302.5)	13,386	5,472	144.6
<u>LRT operations</u>						
Revenue	2,448	2,481	(1.3)	9,757	10,340	(5.6)
Operating loss	(1,709)	(512)	(233.8)	(3,793)	(2,069)	(83.3)
<u>Bus operations</u>						
Revenue	60,262	54,825	9.9	238,140	217,795	9.3
Operating profit/(loss)	892	(4,426)	120.2	(6,527)	(28,367)	77.0
<u>Non-Fare business</u>						
Revenue	89,184	78,716	13.3	343,396	311,953	10.1
Operating profit	30,155	27,626	9.2	115,215	106,431	8.3
<u>Taxi operations</u>						
Revenue	36,784	34,275	7.3	142,883	132,538	7.8
Operating profit	5,424	3,819	42.0	13,740	9,635	42.6
<u>Rental</u> ³						
Revenue	32,137	25,089	28.1	120,378	97,620	23.3
Operating profit	19,843	18,684	6.2	79,595	73,419	8.4
<u>Advertising</u> ⁴						
Revenue	7,535	8,051	(6.4)	36,178	35,633	1.5
Operating profit	4,646	4,369	6.3	21,919	20,815	5.3
<u>Engineering Services</u>						
Revenue	5,082	5,542	(8.3)	15,249	21,815	(30.1)
Operating profit/(loss)	(476)	1,130	(142.1)	(2,397)	3,765	(163.7)
<u>Other Services</u>						
Revenue	7,646	5,759	32.8	28,708	24,347	17.9
Operating profit/(loss)	718	(376)	291.0	2,358	(1,203)	296.0
<u>Investment holding & Support Services /</u>						
<u>Consolidation elimination & adjustments</u>						
Revenue	-	-	n.m.	-	-	n.m.
Operating profit/(loss)	204	(1,961)	110.4	2,526	2,767	(8.7)
<u>Total</u>						
Revenue	311,213	289,526	7.5	1,235,535	1,163,893	6.2
Operating profit	27,148	21,909	23.9	120,807	84,234	43.4

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 \$5.8 million (3.8%) in 4Q FY2015 and \$20.4 million (3.3%) in FY2015 due to higher ridership and average fare. Despite an increase in revenue and lower electricity costs, Train operations recorded an operating loss of \$2.4 million in 4Q FY2015 compared to operating profit in 4Q FY2014 due mainly to higher staff costs, depreciation and repairs and maintenance. Operating profit increased \$7.9 million in FY2015 on the back of higher revenue and productivity gains, partially offset by higher costs to support an expanded and ageing network, larger fleet, tightened regulatory standards and heightened operational demands.

Operating loss from **LRT operations** deepened to \$1.7 million in 4Q FY2015 compared to 4Q FY2014, due mainly to higher staff and other operating costs. Higher operating loss of \$3.8 million was recorded in FY2015 compared to FY2014, due mainly to lower revenue, higher repairs and maintenance work on the ageing system, and higher operating costs associated with the addition of new trains to the fleet in the current period.

Revenue from **Bus operations** increased by \$5.4 million (9.9%) in 4Q FY2015 and \$20.3 million (9.3%) in FY2015 due to increased ridership and average fare. Bus operations turned around and registered an operating profit of \$0.9 million in 4Q FY2015 compared to a loss in the previous corresponding period, due mainly to higher revenue and lower diesel costs, partially offset by higher staff costs and contribution to PTF. A lower operating loss of \$6.5 million was recorded in FY2015 due mainly to higher revenue and productivity management efforts, partially offset by higher diesel consumption and headcount increase to cater to an expanded fleet.

Taxi operating profit increased by \$1.6 million (42.0%) in 4Q FY2015 and \$4.1 million (42.6%) in FY2015, due mainly to higher contribution from a change in fleet composition as well as lower accident claim and insurance expenses.

Rental revenue increased by \$7.0 million (28.1%) in 4Q FY2015 and \$22.8 million (23.3%) in FY2015 due mainly to higher rental renewal rates of commercial spaces, rental revenue from the redevelopment of Ang Mo Kio Xchange and rental revenue from the Kallang Wave mall. Operating profit increased by \$1.2 million (6.2%) in 4Q FY2015 and \$6.2 million (8.4%) in FY2015 due to higher revenue, which was partially offset by higher operating costs.

Notwithstanding a decrease in revenue of \$0.5 million (6.4%), **Advertising** operating profit increased by \$0.3 million (6.3%) in 4Q FY2015 due mainly to lower operating costs for the quarter. Operating profit in FY2015 increased by \$1.1 million (5.3%) primarily due to higher revenue and lower operating costs registered for the year.

Engineering Services revenue decreased by \$0.5 million (8.3%) in 4Q FY2015 and \$6.6 million (30.1%) in FY2015 due mainly to completion of certain overseas consultancy projects in the previous periods. Operating loss of \$0.5 million in 4Q FY2015 and \$2.4 million in FY2015 were due mainly to lower contribution from consultancy projects and expenses associated with the newly set up Singapore Rail Engineering.

Revenue of **Other Services** increased by \$1.9 million (32.8%) in 4Q FY2015 and \$4.4 million (17.9%) in FY2015 due mainly to higher revenue from external fleet maintenance. As a result, operating profit of \$0.7 million in 4Q FY2015 and \$2.4 million in FY2015 were recorded.

6. **BREAKDOWN OF REVENUE AND NET PROFIT**

	The Group		
	Apr - Mar	Apr - Mar	Increase/
	2015	2014	(Decrease)
	\$'000	\$'000	%
Revenue reported for first half year	611,131	581,063	5.2
Profit after taxation reported for first half year	47,111	30,632	53.8
Revenue reported for second half year	624,404	582,830	7.1
Profit after taxation reported for second half year	43,343	30,866	40.4

7. **REVIEW OF PROSPECTS STATEMENT**

The results for 4Q FY2015 are consistent with the prospects statement issued during the announcement of the 3Q FY2015 results.

8. **SUBSEQUENT EVENTS**

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen since 1 April 2015 to the date of this announcement which is likely to affect materially the results of the Group for 4Q FY2015.

9. **PROSPECTS**

The Group continues to face increasing operating challenges in the Rail business environment with Train operations seeing its first ever loss in the last quarter. There is a need to increase operating expenses to cater to the enlarged fleet of trains, expansion of the network with the commencement of Tuas West Extension operations in FY2017, and intensified repair and maintenance works for the ageing rail system. Higher headcount will be required to meet tightened regulatory standards and heightened operational demands on service, reliability and capacity. Further investments will have to be made for the acquisition of new operating assets, asset renewal and life cycle upgrades. The effective fare adjustment of 1.9% which took effect in April 2015 and lower energy prices will only partially mitigate the increase in operating costs in the coming year. The Group will continue to be proactive in its productivity and cost management efforts.

The Group is continuing its discussions with the authorities on the transition to a new rail financing framework, and progress is being made.

Over the next 12 months, SMRT Buses will continue to participate in the tenders under the Government's new bus contracting model. However, the outcome of these will not have an impact on the results of the Group in the coming year.

The Group will continue to grow its Non-Fare businesses, build on its rail engineering capabilities, and explore local out-of-network and international opportunities.

10. DIVIDENDS

(a) Current Financial Period Reported on

Name of dividend	Interim	Proposed Final
Dividend type	Cash	Cash
Dividend amount per share (in cents)	1.50	1.75
Tax rate	Tax exempt one-tier	Tax exempt one-tier

(b) Previous Corresponding Period Reported

Name of dividend	Interim	Final
Dividend type	Cash	Cash
Dividend amount per share (in cents)	1.00	1.20
Tax rate	Tax exempt one-tier	Tax exempt one-tier

(c) Total Annual Dividend

	Year ended 31 March 2015	Year ended 31 March 2014
	\$'000	\$'000
Interim Dividend	22,832	15,215
Final Dividend	26,637	18,258
Total Annual Dividend	49,469	33,473

(d) Notice of Books Closure

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 20 July 2015 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 16 July 2015 will be registered to determine members' entitlements to the proposed Final Dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 16 July 2015 will be entitled to the proposed Final Dividend. Payment of the Final Dividend, if approved by members at the Annual General Meeting to be held on 7 July 2015, will be made on 31 July 2015.

11. 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											
4Q FY2015											
Revenue											
- external customers	159,319	2,448	60,262	36,784	32,137	7,535	5,082	7,646	-	-	311,213
- inter-segment	-	-	335	-	-	104	900	463	12,403	(14,205)	-
Operating expenses (net of other income)	(134,337)	(4,060)	(52,338)	(19,954)	(8,850)	(2,299)	(6,447)	(7,339)	(10,810)	13,772	(232,662)
Depreciation and amortisation	(27,376)	(97)	(7,367)	(11,406)	(3,444)	(694)	(11)	(52)	(922)	(34)	(51,403)
Segment operating results	(2,394)	(1,709)	892	5,424	19,843	4,646	(476)	718	671	(467)	27,148
Finance costs											(3,101)
Interest income											289
Investment income											-
Share of results of associates and joint ventures (net of tax)											1,031
Income tax expense											(4,591)
Profit after taxation											20,776
Non-controlling interest											39
Profit for the period attributable to equity holders of SMRT											20,815
4Q FY2014											
Revenue											
- external customers	153,504	2,481	54,825	34,275	25,089	8,051	5,542	5,759	-	-	289,526
- inter-segment	-	-	24	-	-	26	48	149	12,721	(12,968)	-
Operating expenses (net of other income)	(128,499)	(2,905)	(52,441)	(20,965)	(3,295)	(2,938)	(4,456)	(6,239)	(13,480)	12,968	(222,250)
Depreciation and amortisation	(23,823)	(88)	(6,834)	(9,491)	(3,110)	(770)	(4)	(45)	(1,138)	(64)	(45,367)
Segment operating results	1,182	(512)	(4,426)	3,819	18,684	4,369	1,130	(376)	(1,897)	(64)	21,909
Finance costs											(2,578)
Interest income											(92)
Investment income											-
Share of results of associate (net of tax)											341
Income tax expense											(2,835)
Profit after taxation											16,745
Non-controlling interest											173
Profit for the period attributable to equity holders of SMRT											16,918

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.

11. SEGMENT INFORMATION (cont'd)

	-----Rail-----		Bus	Taxi	Rental ⁷	Advertising ⁸	Engineering	Other	Investment	Consolidation	
	Train	LRT	operations	operations			Services	Services	holding and	elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	support services	& adjustments	\$'000
Revenue and expenses											
FY2015											
Revenue											
- external customers	644,242	9,757	238,140	142,883	120,378	36,178	15,249	28,708	-	-	1,235,535
- inter-segment	-	-	478	-	-	320	1,437	907	56,315	(59,457)	-
Operating expenses (net of other income)	(526,936)	(13,275)	(218,289)	(87,018)	(27,676)	(11,812)	(19,056)	(27,084)	(49,441)	58,989	(921,598)
Depreciation and amortisation	(103,920)	(275)	(26,856)	(42,125)	(13,107)	(2,767)	(27)	(173)	(3,714)	(166)	(193,130)
Segment operating results	13,386	(3,793)	(6,527)	13,740	79,595	21,919	(2,397)	2,358	3,160	(634)	120,807
Finance costs											(12,527)
Interest income											1,381
Investment income											206
Share of results of associates and joint ventures (net of tax)											989
Income tax expense											(20,402)
Profit after taxation											90,454
Non-controlling interest											546
Profit for the period attributable to equity holders of SMRT											91,000
FY2014											
Revenue											
- external customers	623,805	10,340	217,795	132,538	97,620	35,633	21,815	24,347	-	-	1,163,893
- inter-segment	-	-	117	-	-	90	373	616	55,689	(56,885)	-
Operating expenses (net of other income)	(526,365)	(12,201)	(220,068)	(88,622)	(12,395)	(12,166)	(18,409)	(25,981)	(49,035)	56,885	(908,357)
Depreciation and amortisation	(91,968)	(208)	(26,211)	(34,281)	(11,806)	(2,742)	(14)	(185)	(3,639)	(248)	(171,302)
Segment operating results	5,472	(2,069)	(28,367)	9,635	73,419	20,815	3,765	(1,203)	3,015	(248)	84,234
Finance costs											(10,431)
Interest income											1,064
Investment income											206
Share of results of associate (net of tax)											(418)
Income tax expense											(13,157)
Profit after taxation											61,498
Non-controlling interest											404
Profit for the period attributable to equity holders of SMRT											61,902

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.

12. **INTERESTED PERSON TRANSACTIONS**

The aggregate value of interested person transactions entered into during 4Q FY2015 and 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)	
	4Q FY2015 \$'000	FY2015 \$'000	4Q FY2015 \$'000	FY2015 \$'000
<u>Sale of Goods and Services</u>				
Certis CISCO Aviation Security Pte Ltd ⁽¹⁾	-	268	-	-
MediaCorp Pte Ltd	482	482	-	-
Singapore Telecommunications Ltd ⁽²⁾	864	1,327	-	-
SingTel Mobile Singapore Pte Ltd ⁽²⁾	177	973	-	-
ST Synthesis Pte Ltd ⁽³⁾	-	136	-	-
SIA Engineering Company Limited	78	338	-	-
<u>Purchases of Goods and Services</u>				
Certis CISCO Security Pte Ltd ⁽¹⁾	-	252	-	-
Singapore Technologies Electronics Ltd ⁽³⁾	3,800	4,254	-	-
Singapore Technologies Kinetics Ltd ⁽³⁾	11,107	131,043	-	-
ST Electronics (Training & Simulation Systems) Pte Ltd ⁽³⁾	7,199	7,199	-	-
Singapore Telecommunications Ltd ⁽²⁾	1,128	1,539	-	-
Starhub Ltd	-	205	-	-
Total	24,835	148,016	-	-

(1) Part of Certis CISCO Security Group

(2) Part of SingTel Group

(3) Part of Singapore Technologies Engineering Group

13. **REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in SMRT Corporation Ltd (the "Company") or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ms Jacquelin Tay Gek Poh
Company Secretary
SMRT Corporation Ltd

30 April 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMRT CORPORATION LTD

Report on the Financial Statements

We have audited the accompanying financial statements of SMRT Corporation Ltd ("the Company") and its subsidiaries ("the Group") set out on pages 11 to 91, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity of the Group, the statement of changes in equity of the Company and the consolidated statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015, and of the results, changes in equity and cash flows of the Group and the changes in equity for the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 30 April 2015