

# SMRT CORPORATION LTD

(Company Registration No: 200001855H)

## Results for the Fourth Quarter ended 31 March 2014

The Directors of SMRT Corporation Ltd wish to announce the unaudited results of the Group for the fourth quarter ended 31 March 2014 ("4Q FY2014") and the audited results for the full year ended 31 March 2014 ("FY2014").

### 1(a)(i) CONSOLIDATED INCOME STATEMENT

|                                               | The Group         |                   |                         |                    |                    |                         |
|-----------------------------------------------|-------------------|-------------------|-------------------------|--------------------|--------------------|-------------------------|
|                                               | Jan - Mar<br>2014 | Jan - Mar<br>2013 | Increase/<br>(Decrease) | Apr - Mar<br>2014  | Apr - Mar<br>2013  | Increase/<br>(Decrease) |
|                                               | \$'000            | \$'000            | %                       | \$'000             | \$'000             | %                       |
| Revenue                                       | 289,526           | 281,324           | 2.9                     | 1,163,893          | 1,119,469          | 4.0                     |
| - Rail                                        | 155,985           | 153,371           | 1.7                     | 634,145            | 618,524            | 2.5                     |
| - Bus                                         | 54,820            | 52,264            | 4.9                     | 217,795            | 210,796            | 3.3                     |
| - Non-Fare                                    | 78,721            | 75,689            | 4.0                     | 311,953            | 290,149            | 7.5                     |
| Other operating income                        | 12,436            | 9,279             | 34.0                    | 42,146             | 36,305             | 16.1                    |
| - Rail                                        | 4,110             | 5,292             | (22.3)                  | 14,233             | 23,595             | (39.7)                  |
| - Bus                                         | 6,878             | 3,435             | 100.2                   | 23,335             | 8,963              | 160.3                   |
| - Non-Fare                                    | 1,448             | 552               | 162.3                   | 4,578              | 3,747              | 22.2                    |
|                                               | 301,962           | 290,603           | 3.9                     | 1,206,039          | 1,155,774          | 4.3                     |
| Staff costs                                   | (111,525)         | (112,015)         | (0.4)                   | (462,360)          | (395,161)          | 17.0                    |
| - Rail                                        | (60,709)          | (59,864)          | 1.4                     | (255,728)          | (217,053)          | 17.8                    |
| - Bus                                         | (32,267)          | (33,815)          | (4.6)                   | (132,044)          | (114,686)          | 15.1                    |
| - Non-Fare                                    | (18,549)          | (18,336)          | 1.2                     | (74,588)           | (63,422)           | 17.6                    |
| Depreciation of property, plant and equipment | (47,794)          | (40,363)          | 18.4                    | (181,179)          | (161,138)          | 12.4                    |
| - Rail                                        | (26,250)          | (21,746)          | 20.7                    | (101,735)          | (86,103)           | 18.2                    |
| - Bus                                         | (6,857)           | (6,046)           | 13.4                    | (26,304)           | (27,365)           | (3.9)                   |
| - Non-Fare                                    | (14,687)          | (12,571)          | 16.8                    | (53,140)           | (47,670)           | 11.5                    |
| Amortisation of asset-related grants          | 2,427             | 2,451             | (1.0)                   | 9,877              | 10,558             | (6.5)                   |
| - Rail                                        | 2,339             | 2,432             | (3.8)                   | 9,559              | 10,482             | (8.8)                   |
| - Bus                                         | 23                | 12                | 91.7                    | 93                 | 54                 | 72.2                    |
| - Non-Fare                                    | 65                | 7                 | 828.6                   | 225                | 22                 | 922.7                   |
| Repairs and maintenance costs                 | (29,292)          | (34,154)          | (14.2)                  | (112,902)          | (112,537)          | 0.3                     |
| - Rail                                        | (18,601)          | (22,767)          | (18.3)                  | (68,559)           | (67,063)           | 2.2                     |
| - Bus                                         | (7,549)           | (6,572)           | 14.9                    | (25,892)           | (26,344)           | (1.7)                   |
| - Non-Fare                                    | (3,142)           | (4,815)           | (34.7)                  | (18,451)           | (19,130)           | (3.5)                   |
| Electricity and diesel costs                  | (38,108)          | (40,872)          | (6.8)                   | (163,517)          | (165,485)          | (1.2)                   |
| - Rail                                        | (24,975)          | (29,385)          | (15.0)                  | (113,087)          | (118,378)          | (4.5)                   |
| - Bus                                         | (12,943)          | (11,283)          | 14.7                    | (49,695)           | (46,218)           | 7.5                     |
| - Non-Fare                                    | (190)             | (204)             | (6.9)                   | (735)              | (889)              | (17.3)                  |
| Impairment of interest in associate           | -                 | (17,294)          | (100.0)                 | -                  | (17,294)           | (100.0)                 |
| Other operating expenses                      | (55,761)          | (54,722)          | 1.9                     | (211,724)          | (204,512)          | 3.5                     |
| - Rail                                        | (31,441)          | (28,744)          | 9.4                     | (117,766)          | (104,292)          | 12.9                    |
| - Bus                                         | (6,560)           | (10,044)          | (34.7)                  | (35,772)           | (37,124)           | (3.6)                   |
| - Non-Fare                                    | (17,760)          | (15,934)          | 11.5                    | (58,186)           | (63,096)           | (7.8)                   |
| <b>Total expenses</b>                         | <b>(280,053)</b>  | <b>(296,969)</b>  | <b>(5.7)</b>            | <b>(1,121,805)</b> | <b>(1,045,569)</b> | <b>7.3</b>              |
| - Rail                                        | (159,637)         | (160,074)         | (0.3)                   | (647,316)          | (582,407)          | 11.1                    |
| - Bus                                         | (66,153)          | (67,748)          | (2.4)                   | (269,614)          | (251,683)          | 7.1                     |
| - Non-Fare                                    | (54,263)          | (69,147)          | (21.5)                  | (204,875)          | (211,479)          | (3.1)                   |
| <b>Profit/(Loss) from operations</b>          | <b>21,909</b>     | <b>(6,366)</b>    | <b>444.2</b>            | <b>84,234</b>      | <b>110,205</b>     | <b>(23.6)</b>           |
| - Rail                                        | 458               | (1,411)           | 132.5                   | 1,062              | 59,712             | (98.2)                  |
| - Bus                                         | (4,455)           | (12,049)          | 63.0                    | (28,484)           | (31,924)           | 10.8                    |
| - Non-Fare                                    | 25,906            | 7,094             | 265.2                   | 111,656            | 82,417             | 35.5                    |
| Finance costs                                 | (2,578)           | (2,577)           | 0.0                     | (10,431)           | (7,065)            | 47.6                    |
| Interest and investment income                | (92)              | 806               | (111.4)                 | 1,270              | 2,305              | (44.9)                  |
| Share of results of associate (net of tax)    | 341               | 429               | (20.5)                  | (418)              | (381)              | (9.7)                   |
| <b>Profit/(Loss) before income tax</b>        | <b>19,580</b>     | <b>(7,708)</b>    | <b>354.0</b>            | <b>74,655</b>      | <b>105,064</b>     | <b>(28.9)</b>           |
| Income tax expense                            | (2,835)           | (4,341)           | (34.7)                  | (13,157)           | (21,864)           | (39.8)                  |
| <b>Profit/(Loss) after taxation</b>           | <b>16,745</b>     | <b>(12,049)</b>   | <b>239.0</b>            | <b>61,498</b>      | <b>83,200</b>      | <b>(26.1)</b>           |
| <b>Attributable to:</b>                       |                   |                   |                         |                    |                    |                         |
| <b>Equity holders of SMRT</b>                 | <b>16,918</b>     | <b>(11,927)</b>   | <b>241.8</b>            | <b>61,902</b>      | <b>83,338</b>      | <b>(25.7)</b>           |
| Non-controlling interest                      | (173)             | (122)             | (41.8)                  | (404)              | (138)              | (192.8)                 |
| <b>Profit/(Loss) for the period</b>           | <b>16,745</b>     | <b>(12,049)</b>   | <b>239.0</b>            | <b>61,498</b>      | <b>83,200</b>      | <b>(26.1)</b>           |

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

|                                     | The Group |           |            |           |           |            |
|-------------------------------------|-----------|-----------|------------|-----------|-----------|------------|
|                                     | Jan - Mar | Jan - Mar | Increase/  | Apr - Mar | Apr - Mar | Increase/  |
|                                     | 2014      | 2013      | (Decrease) | 2014      | 2013      | (Decrease) |
|                                     |           |           | %          |           |           | %          |
| EBITDA (\$'000) *                   | 67,276    | 48,840    | 37.7       | 255,536   | 278,079   | (8.1)      |
| EBITDA margin                       | 23.2%     | 17.4%     | 5.8        | 22.0%     | 24.8%     | (2.8)      |
| EBIT margin                         | 7.6%      | -2.3%     | 9.9        | 7.2%      | 9.8%      | (2.6)      |
| PAT margin                          | 5.8%      | -4.3%     | 10.1       | 5.3%      | 7.4%      | (2.1)      |
| Interest coverage (x)               | 26.1      | 19.0      | 37.7       | 24.5      | 39.4      | (37.8)     |
| Earnings Per Share (EPS) (cents)    |           |           |            |           |           |            |
| - basic                             | 1.1       | (0.8)     | 241.8      | 4.1       | 5.5       | (25.8)     |
| - diluted                           | 1.1       | (0.8)     | 241.9      | 4.1       | 5.5       | (25.7)     |
| Economic Value Added (EVA) (\$'000) | 2,188     | (2,770)   | 179.0      | 7,290     | 56,069    | (87.0)     |
| Return On Equity (ROE)              |           |           |            | 7.9%      | 10.7%     | (2.8)      |

\* EBITDA excludes impairment of interest in associate

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

|                                                                   | The Group |           |           |           |
|-------------------------------------------------------------------|-----------|-----------|-----------|-----------|
|                                                                   | Jan - Mar | Jan - Mar | Apr - Mar | Apr - Mar |
|                                                                   | 2014      | 2013      | 2014      | 2013      |
|                                                                   | \$'000    | \$'000    | \$'000    | \$'000    |
| <i>After Charging/(Crediting) :-</i>                              |           |           |           |           |
| - Impairment loss made for trade receivables                      | 88        | 238       | 298       | 1,230     |
| - (Write-back)/Allowance for obsolete inventories                 | (79)      | 1,233     | 414       | 1,959     |
| - Inventory written off                                           | 54        | 462       | 146       | 769       |
| - Foreign exchange loss/(gain)                                    | 131       | (136)     | 86        | 363       |
| - Gain on disposal of property, plant and equipment               | (949)     | (555)     | (1,874)   | (1,339)   |
| - Property, plant and equipment written off/(written back)        | 582       | (238)     | 1,126     | 2,351     |
| - (Over)/Under provision of current tax in respect of prior years | (26)      | (154)     | (108)     | 97        |

## 1(b) EARNINGS PER ORDINARY SHARE

|                                                            | The Group |           |            |           |           |            |
|------------------------------------------------------------|-----------|-----------|------------|-----------|-----------|------------|
|                                                            | Jan - Mar | Jan - Mar | Increase/  | Apr - Mar | Apr - Mar | Increase/  |
|                                                            | 2014      | 2013      | (Decrease) | 2014      | 2013      | (Decrease) |
|                                                            |           |           | %          |           |           | %          |
| Earnings per ordinary share (cents)*:-                     |           |           |            |           |           |            |
| (a) Basic                                                  | 1.1       | (0.8)     | 241.8      | 4.1       | 5.5       | (25.8)     |
| - Weighted average number of shares for basic EPS ('000)   | 1,521,508 | 1,520,972 |            | 1,521,376 | 1,520,578 |            |
| (b) Fully Diluted                                          | 1.1       | (0.8)     | 241.9      | 4.1       | 5.5       | (25.7)     |
| - Weighted average number of shares for diluted EPS ('000) | 1,523,846 | 1,524,253 |            | 1,523,179 | 1,522,781 |            |

\* To the nearest 0.1 cents

# 1(c)(i) BALANCE SHEETS

| Notes                                                | <b>The Group</b>     |                  | <b>The Company</b> |                |
|------------------------------------------------------|----------------------|------------------|--------------------|----------------|
|                                                      | As at                | As at            | As at              | As at          |
|                                                      | 31 Mar 2014          | 31 Mar 2013      | 31 Mar 2014        | 31 Mar 2013    |
|                                                      | \$'000               | \$'000           | \$'000             | \$'000         |
| <b>Non-current assets</b>                            |                      |                  |                    |                |
| Property, plant and equipment                        | 1,641,769            | 1,435,797        | 11,537             | 9,555          |
| Intangible asset                                     | 13,614               | 13,614           | -                  | -              |
| Investments in subsidiaries                          | -                    | -                | 325,823            | 344,169        |
| Interest in associate                                | 52,629               | 50,554           | -                  | -              |
| Other investments                                    | 20,713               | 32,171           | -                  | -              |
|                                                      | <u>1,728,725</u>     | <u>1,532,136</u> | <u>337,360</u>     | <u>353,724</u> |
| <b>Current assets</b>                                |                      |                  |                    |                |
| Inventories                                          | 84,325               | 59,901           | -                  | -              |
| Trade and other receivables                          | 98,938               | 86,074           | 78,965             | 64,459         |
| Other investments                                    | 5,000                | -                | -                  | -              |
| Fixed deposits with banks and financial institutions | 8,615                | 213,782          | -                  | -              |
| Cash at banks and in hand                            | 146,909              | 332,512          | 5,682              | 4,967          |
|                                                      | <u>343,787</u>       | <u>692,269</u>   | <u>84,647</u>      | <u>69,426</u>  |
| <b>Total assets</b>                                  | (a) <u>2,072,512</u> | <u>2,224,405</u> | <u>422,007</u>     | <u>423,150</u> |
| <b>Equity attributable to equity holders of SMRT</b> |                      |                  |                    |                |
| Share capital                                        | 168,240              | 167,496          | 168,240            | 167,496        |
| Reserves                                             | 2,229                | 946              | 1,977              | 2,560          |
| Accumulated profits                                  | 631,283              | 599,806          | 227,759            | 235,207        |
|                                                      | <u>801,752</u>       | <u>768,248</u>   | <u>397,976</u>     | <u>405,263</u> |
| <b>Non-controlling interest</b>                      | (92)                 | 312              | -                  | -              |
| <b>Total equity</b>                                  | <u>801,660</u>       | <u>768,560</u>   | <u>397,976</u>     | <u>405,263</u> |
| <b>Non-current liabilities</b>                       |                      |                  |                    |                |
| Interest-bearing borrowings                          | 480,017              | 607,125          | -                  | -              |
| Provisions                                           | 25                   | 55               | -                  | -              |
| Deferred tax liabilities                             | 155,808              | 142,867          | 1,435              | 1,377          |
| Fuel equalisation account                            | 20,312               | 20,312           | -                  | -              |
| Deferred grants                                      | 48,949               | 52,489           | 42                 | 87             |
|                                                      | <u>705,111</u>       | <u>822,848</u>   | <u>1,477</u>       | <u>1,464</u>   |
| <b>Current liabilities</b>                           |                      |                  |                    |                |
| Interest-bearing borrowings                          | 156,393              | 2,347            | -                  | -              |
| Trade and other payables                             | 355,183              | 577,138          | 22,302             | 15,536         |
| Provisions                                           | 50,263               | 45,321           | 252                | 261            |
| Current tax payable                                  | 3,902                | 8,191            | -                  | 626            |
|                                                      | <u>565,741</u>       | <u>632,997</u>   | <u>22,554</u>      | <u>16,423</u>  |
| <b>Total liabilities</b>                             | (b) <u>1,270,852</u> | <u>1,455,845</u> | <u>24,031</u>      | <u>17,887</u>  |
| <b>Total equity and liabilities</b>                  | <u>2,072,512</u>     | <u>2,224,405</u> | <u>422,007</u>     | <u>423,150</u> |

Notes to Balance Sheets:

- (a) Total assets decreased by \$151.9 million (6.8%) due mainly to lower cash and cash equivalents (\$390.8 million). This was partially offset by higher property, plant and equipment (\$206.0 million) and inventories (\$24.4 million, mainly for Train operations).

The lower cash and cash equivalents was due mainly to the payment of \$392.7 million for the 17 trains purchased and operating assets taken over from the Land Transport Authority of Singapore ("LTA").

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

- (b) Total liabilities decreased by \$185.0 million (12.7%) due mainly to lower trade and other payables (\$222.0 million). This was partially offset by higher interest-bearing borrowings (\$26.9 million) and higher tax liabilities (\$8.7 million).

The lower trade and other payables was due mainly to payment made for the 17 trains.

As at 31 March 2014, the Group was in a net current liabilities position. Included in current liabilities are deposits from commercial tenants of \$35.3 million and provisions of \$50.3 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 addition, the Group's \$150.0 million fixed rate notes is due in October 2014. The Group has sufficient undrawn bank financing facilities as well as multicurrency medium term note programmes to meet commitments and to repay debts as and when they fall due.

## 1(c)(ii) GROUP'S BORROWINGS

|                                                                              | As at<br>31 Mar 2014<br>\$'000 | As at<br>31 Mar 2013<br>\$'000 |
|------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b><u>Amount repayable in one year or less, or on demand</u></b>             |                                |                                |
| Secured SGD fixed rate loan - at 6.0% per annum                              | 2,343                          | 540                            |
| Unsecured SGD fixed rate loan - at 4.0% per annum                            | 4,050                          | 1,807                          |
| Unsecured quoted SGD fixed rate notes - at 2.42% per annum due October 2014  | 150,000                        | -                              |
| Total unsecured borrowings                                                   | 154,050                        | 1,807                          |
|                                                                              | <u>156,393</u>                 | <u>2,347</u>                   |
| <b><u>Amount repayable after one year</u></b>                                |                                |                                |
| Secured SGD fixed rate loan - at 6.0% per annum                              | 30,017                         | 7,125                          |
| Unsecured quoted SGD fixed rate notes - at 2.42% per annum due October 2014  | -                              | 150,000                        |
| 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                        |
| Total unsecured borrowings                                                   | 450,000                        | 600,000                        |
|                                                                              | <u>480,017</u>                 | <u>607,125</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

|             | <b>The Group</b>     |                      |
|-------------|----------------------|----------------------|
|             | As at<br>31 Mar 2014 | As at<br>31 Mar 2013 |
| Net gearing | 0.60                 | 0.08                 |

(a) Net gearing increased to 0.60 with the payment of the 17 trains and operating assets taken over from LTA.

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

|                                                                                      | <b>The Group</b>     |                      | <b>The Company</b>   |                      |
|--------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                      | As at<br>31 Mar 2014 | As at<br>31 Mar 2013 | As at<br>31 Mar 2014 | As at<br>31 Mar 2013 |
| Net asset value per ordinary share (cents)                                           | 52.7                 | 50.5                 | 26.2                 | 26.6                 |
| Net tangible asset per ordinary share <sup>1</sup> (cents)                           | 51.8                 | 49.6                 | 26.2                 | 26.6                 |
| Number of shares at end of period (excluding<br>treasury shares) <sup>2</sup> ('000) | <u>1,521,508</u>     | <u>1,520,972</u>     | <u>1,521,508</u>     | <u>1,520,972</u>     |

<sup>1</sup> Net tangible asset = net assets less intangible asset.

<sup>2</sup> Treasury shares - nil.

**1(d) CONSOLIDATED STATEMENT OF CASH FLOWS**

|                                                                         | <b>The Group</b> |           |           |           |
|-------------------------------------------------------------------------|------------------|-----------|-----------|-----------|
|                                                                         | Jan - Mar        | Jan - Mar | Apr - Mar | Apr - Mar |
|                                                                         | 2014             | 2013      | 2014      | 2013      |
|                                                                         | \$'000           | \$'000    | \$'000    | \$'000    |
| <b>Notes</b>                                                            |                  |           |           |           |
| <b>Operating activities</b>                                             |                  |           |           |           |
| Profit/(Loss) before income tax                                         | 19,580           | (7,708)   | 74,655    | 105,064   |
| <i>Adjustments for:</i>                                                 |                  |           |           |           |
| Amortisation of asset-related grants                                    | (2,427)          | (2,451)   | (9,877)   | (10,558)  |
| Changes in fair value of financial instruments                          | -                | (84)      | -         | -         |
| Depreciation of property, plant and equipment                           | 47,794           | 40,363    | 181,179   | 161,138   |
| Dividend income                                                         | -                | -         | (206)     | (180)     |
| Grant released upon disposal/write-off of property, plant and equipment | -                | 1         | (19)      | (48)      |
| Impairment of interest in associate                                     | -                | 17,294    | -         | 17,294    |
| Interest expense                                                        | 2,578            | 2,577     | 10,431    | 7,065     |
| Interest income                                                         | 92               | (806)     | (1,064)   | (2,125)   |
| Gain on disposal of property, plant and equipment                       | (949)            | (555)     | (1,874)   | (1,339)   |
| Property, plant and equipment written off/(written back)                | 582              | (238)     | 1,126     | 2,351     |
| Provisions made                                                         | 4,722            | 9,378     | 22,254    | 20,650    |
| Share-based payment expenses                                            | 17               | 290       | 115       | 1,157     |
| Share of results of associate                                           | (341)            | (429)     | 418       | 381       |
| Bus Service Enhancement Programme Grant                                 | (4,907)          | (1,610)   | (15,207)  | (2,888)   |
|                                                                         | 66,741           | 56,022    | 261,931   | 297,962   |
| <i>Changes in working capital:</i>                                      |                  |           |           |           |
| Inventories                                                             | (698)            | 523       | (24,424)  | (6,221)   |
| Trade and other receivables                                             | 2,649            | 19,240    | 4,806     | (2,708)   |
| Trade and other payables                                                | (10,932)         | (6,790)   | 6,844     | (9,946)   |
| Cash generated from operations                                          | 57,760           | 68,995    | 249,157   | 279,087   |
| Income taxes paid                                                       | (2,186)          | (2,899)   | (4,544)   | (15,213)  |
| Interest paid                                                           | -                | (8)       | (10,194)  | (3,647)   |
| Cash flows from operating activities                                    | (a) 55,574       | 66,088    | 234,419   | 260,227   |
| <b>Investing activities</b>                                             |                  |           |           |           |
| Dividends received                                                      | -                | -         | 206       | 180       |
| Interest received                                                       | 579              | 1,055     | 1,546     | 2,174     |
| Purchase of property, plant and equipment                               | (48,182)         | (67,479)  | (651,882) | (250,588) |
| Purchase of other investments                                           | -                | -         | -         | (16,530)  |
| Proceeds from disposal of:                                              |                  |           |           |           |
| - property, plant and equipment                                         | 1,216            | 883       | 2,553     | 2,278     |
| - other investments                                                     | 5,000            | -         | 5,000     | -         |
| Cash flows from investing activities                                    | (b) (41,387)     | (65,541)  | (642,577) | (262,486) |
| <b>Financing activities</b>                                             |                  |           |           |           |
| Proceeds from issue of shares under share option plan                   | -                | 7         | 46        | 121       |
| Capital contribution from Non-controlling interest                      | -                | -         | -         | 450       |
| Proceeds from issuance of unsecured quoted notes                        | -                | -         | -         | 450,000   |
| Dividends paid                                                          | -                | -         | (30,425)  | (109,473) |
| Proceeds from unclaimed dividends                                       | -                | -         | -         | 235       |
| Proceeds from borrowings                                                | 8,472            | 1,809     | 28,658    | 9,724     |
| Grants received                                                         | 5,050            | 862       | 18,899    | 2,220     |
| Cash flows from financing activities                                    | (c) 13,522       | 2,678     | 17,178    | 353,277   |
| Net increase/(decrease) in cash and cash equivalents                    | (d) 27,709       | 3,225     | (390,980) | 351,018   |
| Cash and cash equivalents at beginning of the period                    | 127,809          | 542,966   | 546,294   | 195,330   |
| Effect of exchange rate fluctuations on cash held                       | 6                | 103       | 210       | (54)      |
| Cash and cash equivalents at end of the period                          | 155,524          | 546,294   | 155,524   | 546,294   |
| <u>Cash and cash equivalents at end of the period comprise:</u>         |                  |           |           |           |
| Fixed deposits with banks and financial institutions                    | 8,615            | 213,782   | 8,615     | 213,782   |
| Cash at banks and in hand                                               | 146,909          | 332,512   | 146,909   | 332,512   |
|                                                                         | 155,524          | 546,294   | 155,524   | 546,294   |

## Notes to Consolidated Statement of Cash Flows:

- (a) Net cash inflow from operating activities of \$55.6 million for 4Q FY2014 was lower compared to 4Q FY2013, due mainly to higher working capital requirements. Net cash inflow from operating activities of \$234.4 million for FY2014, was lower compared to FY2013, due mainly to lower profitability and higher interest paid, partially offset by lower income taxes paid.
- (b) Net cash outflow from investing activities of \$41.4 million for 4Q FY2014 was lower compared to \$65.5 million for 4Q FY2013, due mainly to lower payment for purchase of property, plant and equipment and proceeds from disposal of other investments. Net cash outflow from investing activities of \$642.6 million for FY2014, was higher compared to \$262.5 million for FY2013, due mainly to higher payment for purchase of property, plant and equipment.
- (c) Net cash inflow from financing activities of \$13.5 million for 4Q FY2014 was higher compared to \$2.7 million for 4Q FY2013, due to higher proceeds from borrowings and grants received. Net cash inflow from financing activities of \$17.2 million for FY2014 was lower compared to \$353.3 million for FY2013 due mainly to absence of proceeds from issuance of debt.
- (d) Net increase in cash and cash equivalents of \$27.7 million in 4Q FY2014 was higher compared to 4Q FY2013, due mainly to lower net investing cash outflow and higher net financing cash inflow, partially offset by lower net operating cash inflow. Net decrease in cash and cash equivalents of \$391.0 million in FY2014 compared to an increase in FY2013 was due mainly to higher net investing cash outflow.

## **1(e) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|                                                                                         | <b>The Group</b>            |                             |                             |                             |
|-----------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                                                         | Jan - Mar<br>2014<br>\$'000 | Jan - Mar<br>2013<br>\$'000 | Apr - Mar<br>2014<br>\$'000 | Apr - Mar<br>2013<br>\$'000 |
| <b>Profit/(Loss) for the period</b>                                                     | 16,745                      | (12,049)                    | 61,498                      | 83,200                      |
| <b>Other comprehensive income/(loss):</b>                                               |                             |                             |                             |                             |
| Items that may be reclassified subsequently to the income statement:                    |                             |                             |                             |                             |
| Change in fair value of available-for-sale financial assets, net of tax                 | (103)                       | 1,134                       | (1,031)                     | 979                         |
| Effective portion of changes in fair value of cash flow hedge, net of tax               | -                           | 288                         | 1,112                       | 2,960                       |
| Change in fair value of cash flow hedge transferred to the income statement, net of tax | 47                          | (1,019)                     | (923)                       | (2,772)                     |
| Currency translation differences arising from consolidation                             | (974)                       | 997                         | 2,708                       | 290                         |
| <b>Other comprehensive income/(loss) for the period, net of tax</b>                     | <b>(1,030)</b>              | <b>1,400</b>                | <b>1,866</b>                | <b>1,457</b>                |
| <b>Total comprehensive income/(loss) for the period</b>                                 | <b>15,715</b>               | <b>(10,649)</b>             | <b>63,364</b>               | <b>84,657</b>               |
| <b>Attributable to:</b>                                                                 |                             |                             |                             |                             |
| Equity holders of SMRT                                                                  | 15,888                      | (10,527)                    | 63,768                      | 84,795                      |
| Non-controlling interest                                                                | (173)                       | (122)                       | (404)                       | (138)                       |
|                                                                                         | <b>15,715</b>               | <b>(10,649)</b>             | <b>63,364</b>               | <b>84,657</b>               |

# 1(f)(i) STATEMENTS OF CHANGES IN EQUITY

## The Group

|                                                                             | Share<br>Capital<br>\$'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>\$'000 | Fair Value<br>Reserve<br>\$'000 | Hedge<br>Reserve<br>\$'000 | Share-based<br>Payment<br>Reserve<br>\$'000 | Accumulated<br>Profits<br>\$'000 | Total<br>Attributable to<br>Equity Holders<br>of SMRT<br>\$'000 | Non-<br>Controlling<br>Interest<br>\$'000 | Total<br>Equity<br>\$'000 |
|-----------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|---------------------------------|----------------------------|---------------------------------------------|----------------------------------|-----------------------------------------------------------------|-------------------------------------------|---------------------------|
| <b>At 1 Apr 2012</b>                                                        | 166,462                    | (3,168)                                                 | 568                             | (471)                      | 2,316                                       | 625,706                          | 791,413                                                         | -                                         | 791,413                   |
| <b>Total comprehensive income/(loss) for the year</b>                       |                            |                                                         |                                 |                            |                                             |                                  |                                                                 |                                           |                           |
| Profit/(Loss) for the year                                                  | -                          | -                                                       | -                               | -                          | -                                           | 83,338                           | 83,338                                                          | (138)                                     | 83,200                    |
| Other comprehensive income/(loss)                                           |                            |                                                         |                                 |                            |                                             |                                  |                                                                 |                                           |                           |
| Change in fair value of available-for-sale financial assets                 | -                          | -                                                       | 979                             | -                          | -                                           | -                                | 979                                                             | -                                         | 979                       |
| Effective portion of changes in fair value of cash flow hedge               | -                          | -                                                       | -                               | 2,960                      | -                                           | -                                | 2,960                                                           | -                                         | 2,960                     |
| Change in fair value of cash flow hedge transferred to the income statement | -                          | -                                                       | -                               | (2,772)                    | -                                           | -                                | (2,772)                                                         | -                                         | (2,772)                   |
| Currency translation differences arising from consolidation                 | -                          | 290                                                     | -                               | -                          | -                                           | -                                | 290                                                             | -                                         | 290                       |
| Total other comprehensive income/(loss), net of tax                         | -                          | 290                                                     | 979                             | 188                        | -                                           | -                                | 1,457                                                           | -                                         | 1,457                     |
| <b>Total comprehensive income/(loss)</b>                                    | -                          | 290                                                     | 979                             | 188                        | -                                           | 83,338                           | 84,795                                                          | (138)                                     | 84,657                    |
| <b>Transactions with owners of the Company, recorded directly in equity</b> |                            |                                                         |                                 |                            |                                             |                                  |                                                                 |                                           |                           |
| Issue of shares under SMRT ESOP                                             | 121                        | -                                                       | -                               | -                          | -                                           | -                                | 121                                                             | -                                         | 121                       |
| Issue of performance shares                                                 | 913                        | -                                                       | -                               | -                          | (913)                                       | -                                | -                                                               | -                                         | -                         |
| Value of employee services received for share-based payment                 | -                          | -                                                       | -                               | -                          | 1,157                                       | -                                | 1,157                                                           | -                                         | 1,157                     |
| Capital contribution from NCI                                               | -                          | -                                                       | -                               | -                          | -                                           | -                                | -                                                               | 450                                       | 450                       |
| Dividends paid                                                              | -                          | -                                                       | -                               | -                          | -                                           | (109,473)                        | (109,473)                                                       | -                                         | (109,473)                 |
| Proceeds from unclaimed dividends                                           | -                          | -                                                       | -                               | -                          | -                                           | 235                              | 235                                                             | -                                         | 235                       |
| <b>Total transactions with owners</b>                                       | 1,034                      | -                                                       | -                               | -                          | 244                                         | (109,238)                        | (107,960)                                                       | 450                                       | (107,510)                 |
| <b>At 31 Mar 2013</b>                                                       | 167,496                    | (2,878)                                                 | 1,547                           | (283)                      | 2,560                                       | 599,806                          | 768,248                                                         | 312                                       | 768,560                   |
| <b>At 1 Apr 2013</b>                                                        | 167,496                    | (2,878)                                                 | 1,547                           | (283)                      | 2,560                                       | 599,806                          | 768,248                                                         | 312                                       | 768,560                   |
| <b>Total comprehensive income/(loss) for the year</b>                       |                            |                                                         |                                 |                            |                                             |                                  |                                                                 |                                           |                           |
| Profit/(Loss) for the year                                                  | -                          | -                                                       | -                               | -                          | -                                           | 61,902                           | 61,902                                                          | (404)                                     | 61,498                    |
| Other comprehensive income/(loss)                                           |                            |                                                         |                                 |                            |                                             |                                  |                                                                 |                                           |                           |
| Change in fair value of available-for-sale financial assets                 | -                          | -                                                       | (1,031)                         | -                          | -                                           | -                                | (1,031)                                                         | -                                         | (1,031)                   |
| Effective portion of changes in fair value of cash flow hedge               | -                          | -                                                       | -                               | 1,112                      | -                                           | -                                | 1,112                                                           | -                                         | 1,112                     |
| Change in fair value of cash flow hedge transferred to the income statement | -                          | -                                                       | -                               | (923)                      | -                                           | -                                | (923)                                                           | -                                         | (923)                     |
| Currency translation differences arising from consolidation                 | -                          | 2,708                                                   | -                               | -                          | -                                           | -                                | 2,708                                                           | -                                         | 2,708                     |
| Total other comprehensive income/(loss), net of tax                         | -                          | 2,708                                                   | (1,031)                         | 189                        | -                                           | -                                | 1,866                                                           | -                                         | 1,866                     |
| <b>Total comprehensive income/(loss)</b>                                    | -                          | 2,708                                                   | (1,031)                         | 189                        | -                                           | 61,902                           | 63,768                                                          | (404)                                     | 63,364                    |
| <b>Transactions with owners of the Company, recorded directly in equity</b> |                            |                                                         |                                 |                            |                                             |                                  |                                                                 |                                           |                           |
| 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)                  |
| <b>Total transactions with owners</b>                                       | 744                        | -                                                       | -                               | -                          | (583)                                       | (30,425)                         | (30,264)                                                        | -                                         | (30,264)                  |
| <b>At 31 Mar 2014</b>                                                       | 168,240                    | (170)                                                   | 516                             | (94)                       | 1,977                                       | 631,283                          | 801,752                                                         | (92)                                      | 801,660                   |

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

The Company

|                                                              | Share<br>Capital<br>\$'000 | Share-based<br>Payment<br>Reserve<br>\$'000 | Accumulated<br>Profits<br>\$'000 | Total<br>\$'000  |
|--------------------------------------------------------------|----------------------------|---------------------------------------------|----------------------------------|------------------|
| <b>At 1 Apr 2012</b>                                         | <b>166,462</b>             | <b>2,316</b>                                | <b>291,488</b>                   | <b>460,266</b>   |
| <b>Total comprehensive income for the year</b>               |                            |                                             |                                  |                  |
| Profit for the year                                          | -                          | -                                           | 53,112                           | 53,112           |
| <b>Transactions with owners, recorded directly in equity</b> |                            |                                             |                                  |                  |
| Issue of shares under SMRT ESOP                              | 121                        | -                                           | -                                | 121              |
| Issue of performance shares                                  | 913                        | (913)                                       | -                                | -                |
| Value of employee services received for share-based payment  | -                          | 1,157                                       | -                                | 1,157            |
| Dividends paid                                               | -                          | -                                           | (109,473)                        | (109,473)        |
| Proceeds from unclaimed dividends                            | -                          | -                                           | 80                               | 80               |
| <b>Total transactions with owners</b>                        | <b>1,034</b>               | <b>244</b>                                  | <b>(109,393)</b>                 | <b>(108,115)</b> |
| <b>At 31 Mar 2013</b>                                        | <b>167,496</b>             | <b>2,560</b>                                | <b>235,207</b>                   | <b>405,263</b>   |
| <b>At 1 Apr 2013</b>                                         | <b>167,496</b>             | <b>2,560</b>                                | <b>235,207</b>                   | <b>405,263</b>   |
| <b>Total comprehensive income for the year</b>               |                            |                                             |                                  |                  |
| Profit for the year                                          | -                          | -                                           | 22,977                           | 22,977           |
| <b>Transactions with owners, recorded directly in equity</b> |                            |                                             |                                  |                  |
| 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)         |
| <b>Total transactions with owners</b>                        | <b>744</b>                 | <b>(583)</b>                                | <b>(30,425)</b>                  | <b>(30,264)</b>  |
| <b>At 31 Mar 2014</b>                                        | <b>168,240</b>             | <b>1,977</b>                                | <b>227,759</b>                   | <b>397,976</b>   |

- 1(f)(ii)** The total number of issued shares excluding treasury shares of the Company as at 31 March 2014 and 31 March 2013 were 1,521,508,246 and 1,520,972,346 respectively.

The Company did not hold any treasury shares in 4Q FY2014 and as at 31 March 2014 (31 March 2013: Nil).

In 4Q FY2014, the Company did not issue any ordinary shares under the SMRT Corporation Employee Share Option Plan (“SMRT ESOP”).

In FY2014, the Company issued and allocated 535,900 ordinary shares following the exercise of 74,300 share options under the SMRT ESOP plan and the release of 461,600 shares awarded under the SMRT Corporation Restricted Share Plan (“SMRT RSP”).

As at 31 March 2014, there was no outstanding share option under the SMRT ESOP (31 March 2013: 322,150).

| Date of grant of options | Exercise price per share | Options outstanding at 1/4/2013 | Options exercised | Options cancelled | Options outstanding at 31/3/2014 | Number of option holders at 31/3/2014 | Exercise period        |
|--------------------------|--------------------------|---------------------------------|-------------------|-------------------|----------------------------------|---------------------------------------|------------------------|
| 22/7/2003                | \$0.623                  | 322,150                         | 74,300            | 247,850           | -                                | -                                     | 22/7/2004 to 21/7/2013 |

As at 31 March 2014, the number of outstanding conditional shares awarded under the SMRT Corporation RSP and SMRT Corporation Performance Share Plan (“SMRT PSP”) was 2,337,700 (31 March 2013: 3,081,700).

## **2. AUDIT**

The figures for the quarters ended 31 March 2014 and 31 March 2013 have not been audited by our external auditors. The figures for the years ended 31 March 2014 and 31 March 2013 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 2013.

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 2013. 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 1 – Presentation of Items of Other Comprehensive Income (effective for annual periods commencing on or after 1 July 2012)
- Amendment to FRS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2013)
- FRS 19 (Revised) – Employee Benefits (effective for annual periods commencing on or after 1 January 2013)
- Amendment to FRS 32 – Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013)
- Amendment to FRS 32 – Financial Instruments: Presentation (effective for annual periods beginning on or after 1 January 2013)

- FRS 113 – Fair Value Measurements (effective for annual periods commencing on or after 1 January 2013)

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 FY2014 AND FY2014 AGAINST PREVIOUS CORRESPONDING PERIODS)**

##### **4.1 Overview**

Group revenue increased by \$8.2 million (2.9%) in 4Q FY2014 and \$44.4 million (4.0%) in FY2014 compared to previous corresponding periods across all segments except LRT and Other Services.

Operating profit in 4Q FY2014 was \$21.9 million compared to operating loss of \$6.4 million in 4Q FY2013, due mainly to lower operating loss from Bus operations resulting from productivity gains and absence of impairment of interest in associate in 4Q FY2013 of \$17.3 million.

Better performance from Taxi, Commercial and Engineering Services businesses was recorded in FY2014 compared to FY2013.

Operating profit, however, decreased by \$26.0 million (23.6%) in FY2014 resulting from a \$60.7 million decline in Rail operating profit, as operating costs continued to outpace fare revenue growth. This was partially offset by better performance from Bus operations.

Group profit attributable to equity holders of SMRT was \$16.9 million in 4Q FY2014 compared to net loss of \$11.9 million in 4Q FY2013. Group profit attributable to equity holders of SMRT was lower by \$21.4 million in FY2014 compared to FY2013.

##### **4.2 Explanatory notes to Consolidated Income Statement**

**Other operating income** increased by \$5.8 million (16.1%) in FY2014 due mainly to higher BSEP grants and bus shelter advertising income, partially offset by absence of insurance compensation for a rail asset of \$8.0 million. BSEP grants were utilized to recover part of the increased operating costs incurred for BSEP buses.

**Staff costs** increased by \$67.2 million (17.0%) in FY2014 due to increased headcount in Train and Bus operations to support a larger fleet and improve operational performance, and the wage alignment exercise in 4Q FY2013.

**Depreciation** increased by \$7.4 million (18.4%) in 4Q FY2014 and \$20.0 million (12.4%) in FY2014 due mainly to capitalisation of operating assets taken over from LTA in 1Q FY2014, and a newer taxi and larger bus fleet.

**Repairs and maintenance costs** decreased by \$4.9 million (14.2%) in 4Q FY2014 and remained relatively flat for FY2014, with the commissioning of new assets in the Rail operations.

**Electricity and diesel costs** decreased by \$2.8 million (6.8%) in 4Q FY2014 and \$2.0 million (1.2%) in FY2014 due mainly to lower average electricity tariff partially offset by higher diesel cost and consumption.

**Impairment of interest in associate**, Shenzhen ZONA Transportation Group Co. Ltd., ("Shenzhen Zona") (\$17.3 million), was made in 4Q FY2013.

**Other operating expenses** increased by \$1.0 million (1.9%) in 4Q FY2014 and \$7.2 million (3.5%) in FY2014 due mainly to higher expenses associated with costs for schemes introduced by LTA (including travel discounts) to incentivise commuters to shift their travel times away from the morning peak hours.

**Finance costs** were higher in FY2014 due to the full year interest cost from the issuance of \$450 million fixed rate notes in FY2013.

5. **REVIEW OF SEGMENT PERFORMANCE (4Q FY2014 AND FY2014 AGAINST PREVIOUS CORRESPONDING PERIODS)**

A segmental breakdown by business is provided under note 11.

|                                                                                                       | Fourth Quarter |           |                       | Full Year |           |                       |
|-------------------------------------------------------------------------------------------------------|----------------|-----------|-----------------------|-----------|-----------|-----------------------|
|                                                                                                       | 4Q FY2014      | 4Q FY2013 | Increase / (Decrease) | FY2014    | FY2013    | Increase / (Decrease) |
|                                                                                                       | \$'000         | \$'000    | %                     | \$'000    | \$'000    | %                     |
| <b><u>Fare business</u></b>                                                                           |                |           |                       |           |           |                       |
| Revenue                                                                                               | 210,805        | 205,635   | 2.5                   | 851,940   | 829,320   | 2.7                   |
| Operating loss                                                                                        | (3,756)        | (11,428)  | 67.1                  | (24,964)  | 32,333    | (177.2)               |
| <b><u>Train operations</u></b>                                                                        |                |           |                       |           |           |                       |
| Revenue                                                                                               | 153,504        | 150,665   | 1.9                   | 623,805   | 607,864   | 2.6                   |
| Operating profit                                                                                      | 1,182          | 835       | 41.6                  | 5,472     | 65,120    | (91.6)                |
| <b><u>LRT operations</u></b>                                                                          |                |           |                       |           |           |                       |
| Revenue                                                                                               | 2,481          | 2,706     | (8.3)                 | 10,340    | 10,660    | (3.0)                 |
| Operating loss                                                                                        | (512)          | (293)     | (74.7)                | (2,069)   | (1,047)   | (97.6)                |
| <b><u>Bus operations</u></b>                                                                          |                |           |                       |           |           |                       |
| Revenue                                                                                               | 54,820         | 52,264    | 4.9                   | 217,795   | 210,796   | 3.3                   |
| Operating loss                                                                                        | (4,426)        | (11,970)  | 63.0                  | (28,367)  | (31,740)  | 10.6                  |
| <b><u>Taxi operations</u></b>                                                                         |                |           |                       |           |           |                       |
| Revenue                                                                                               | 34,275         | 33,507    | 2.3                   | 132,538   | 132,113   | 0.3                   |
| Operating profit                                                                                      | 3,819          | 638       | 498.6                 | 9,635     | 6,438     | 49.7                  |
| <b><u>Rental</u></b>                                                                                  |                |           |                       |           |           |                       |
| Revenue                                                                                               | 25,089         | 22,560    | 11.2                  | 97,620    | 88,393    | 10.4                  |
| Operating profit                                                                                      | 18,684         | 16,704    | 11.9                  | 73,419    | 67,015    | 9.6                   |
| <b><u>Advertising</u></b>                                                                             |                |           |                       |           |           |                       |
| Revenue                                                                                               | 8,051          | 7,217     | 11.6                  | 35,633    | 30,907    | 15.3                  |
| Operating profit                                                                                      | 4,369          | 4,303     | 1.5                   | 20,815    | 18,355    | 13.4                  |
| <b><u>Engineering Services</u></b>                                                                    |                |           |                       |           |           |                       |
| Revenue                                                                                               | 5,542          | 5,537     | 0.1                   | 21,815    | 13,118    | 66.3                  |
| Operating profit                                                                                      | 1,130          | 711       | 58.9                  | 3,765     | 1,584     | 137.7                 |
| <b><u>Other Services</u></b>                                                                          |                |           |                       |           |           |                       |
| Revenue                                                                                               | 5,764          | 6,762     | (14.8)                | 24,347    | 25,422    | (4.2)                 |
| Operating (loss)/profit                                                                               | (376)          | (31)      | (1,112.9)             | (1,203)   | 1,320     | (191.1)               |
| <b><u>Investment holding &amp; Support Services / Consolidation elimination &amp; adjustments</u></b> |                |           |                       |           |           |                       |
| Revenue                                                                                               | -              | 106       | (100.0)               | -         | 196       | (100.0)               |
| Operating (loss)/profit                                                                               | (1,961)        | 31        | (6,425.8)             | 2,767     | 454       | 509.5                 |
| <b><u>Subtotal</u></b>                                                                                |                |           |                       |           |           |                       |
| Revenue                                                                                               | 289,526        | 281,324   | 2.9                   | 1,163,893 | 1,119,469 | 4.0                   |
| Operating profit before impairment of interest in associate                                           | 21,909         | 10,928    | 100.5                 | 84,234    | 127,499   | (33.9)                |
| Impairment of interest in associate                                                                   | -              | (17,294)  | (100.0)               | -         | (17,294)  | (100.0)               |
| <b><u>Total</u></b>                                                                                   |                |           |                       |           |           |                       |
| Revenue                                                                                               | 289,526        | 281,324   | 2.9                   | 1,163,893 | 1,119,469 | 4.0                   |
| Operating profit/(loss)                                                                               | 21,909         | (6,366)   | 444.2                 | 84,234    | 110,205   | (23.6)                |

Revenue from **Train operations** increased by \$2.8 million (1.9%) in 4Q FY2014 and \$15.9 million (2.6%) in FY2014 due mainly to higher ridership. Operating profit declined to \$5.5 million in FY2014 as operating expenses outgrew revenue growth. All operating expenses except for electricity increased compared to the previous corresponding period as explained in note 4.2.

Higher operating loss of **LRT operations** at \$0.5 million in 4Q FY2014 and \$2.1 million in FY2014 was due mainly to lower revenue and higher staff costs.

Revenue from **Bus operations** increased by \$2.6 million (4.9%) in 4Q FY2014 and \$7.0 million (3.3%) in FY2014 due mainly to increased ridership. A lower operating loss at \$4.4 million in 4Q FY2014 was recorded due mainly to higher revenue and lower staff costs. Lower staff costs resulted mainly from the absence of one-off restructuring of defined benefit plan which occurred in 4Q FY2013. Operating loss decreased by \$3.4 million (10.6%) in FY2014 compared to FY2013 due mainly to higher revenue and lower repairs and maintenance costs.

**Taxi** operating profit increased by \$3.2 million (498.6%) in 4Q FY2014 and \$3.2 million (49.7%) in FY2014 due to higher rental contribution from a newer fleet, and lower diesel tax related to a smaller diesel fleet.

**Rental** revenue from commercial spaces increased by \$2.5 million (11.2%) in 4Q FY2014 and \$9.2 million (10.4%) in FY2014 due to increased lettable space from the redevelopment of Woodlands Xchange and higher rental renewal rates. As a result, operating profit increased by \$2.0 million (11.9%) in 4Q FY2014 and \$6.4 million (9.6%) in FY2014.

**Advertising** revenue increased by \$0.8 million (11.6%) in 4Q FY2014 and \$4.7 million (15.3%) in FY2014 due mainly to increased advertising on trains, buses and stations. As a result, operating profit increased by \$0.1 million (1.5%) in 4Q FY2014 and \$2.5 million (13.4%) in FY2014.

**Engineering Services** operating profit increased by \$0.4 million (58.9%) in 4Q FY2014 due mainly to higher profits from international consultancy projects. Revenue increased by \$8.7 million (66.3%) and operating profit increased by \$2.2 million (137.7%) in FY2014 due mainly to higher contribution from international consultancy projects as well as local engineering and project work.

Revenue of **Other Services** decreased by \$1.0 million (14.8%) and \$1.1 million (4.2%) in 4Q FY2014 and FY2014 respectively due mainly to lower revenue from external fleet maintenance. Higher operating costs resulted in a higher operating loss of \$0.4 million in 4Q FY2014 and an operating loss in FY2014.

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

|                                                     | <b>The Group</b>  |                   |                         |
|-----------------------------------------------------|-------------------|-------------------|-------------------------|
|                                                     | Apr - Mar<br>2014 | Apr - Mar<br>2013 | Increase/<br>(Decrease) |
|                                                     | \$'000            | \$'000            | %                       |
| Revenue reported for first half year                | 581,063           | 556,468           | 4.4                     |
| Profit after taxation reported for first half year  | 30,632            | 69,798            | (56.1)                  |
| Revenue reported for second half year               | 582,830           | 563,001           | 3.5                     |
| Profit after taxation reported for second half year | 30,866            | 13,402            | 130.3                   |

## 7. **REVIEW OF PROSPECTS STATEMENT**

The results for 4Q FY2014 are consistent with the prospects statement issued during the announcement of the 3Q FY2014 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 2014 to the date of this announcement which is likely to affect materially the results of the Group for 4Q FY2014.

## 9. **PROSPECTS**

The Group's Fare business will continue to be challenging because of heightened operating requirements, unless there are commensurate and timely fare adjustments. The recently approved fare adjustments will partially offset some of the increased costs. The Group will continue with its productivity efforts in FY2015 to help mitigate the declining profitability in the Fare business.

The Group expects that the impending changes to the rail financing and bus operating models will address the sustainability of its Fare business in Singapore.

The Group will continue to grow its Non-Fare business which includes the enhancing of its engineering capability for local and international projects. It will also explore other commercial opportunities, and looks forward to the launch of the new Sports Hub retail mall in the coming months.

## 10. **DIVIDENDS**

### (a) Current Financial Period (FY2014) Reported on

| <b>Name of dividend</b>              | <b>Interim</b>      | <b>Proposed Final</b> |
|--------------------------------------|---------------------|-----------------------|
| Dividend type                        | Cash                | Cash                  |
| Dividend amount per share (in cents) | 1.00                | 1.20                  |
| Tax rate                             | Tax exempt one-tier | Tax exempt one-tier   |

### (b) Previous Corresponding Period (FY2013) Reported

| <b>Name of dividend</b>              | <b>Interim</b>      | <b>Final</b>        |
|--------------------------------------|---------------------|---------------------|
| Dividend type                        | Cash                | Cash                |
| Dividend amount per share (in cents) | 1.50                | 1.00                |
| Tax rate                             | Tax exempt one-tier | Tax exempt one-tier |

### (c) Total Annual Dividend

|                       | <b>Year ended 31 March 2014</b> | <b>Year ended 31 March 2013</b> |
|-----------------------|---------------------------------|---------------------------------|
|                       | <b>\$'000</b>                   | <b>\$'000</b>                   |
| Interim Dividend      | 15,215                          | 22,814                          |
| Final Dividend        | 18,258                          | 15,210                          |
| Total Annual Dividend | 33,473                          | 38,024                          |

(d) Notice of Books Closure

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed on 25 July 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 Pte. Ltd., at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5.00 p.m. on 24 July 2014 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 at 5.00 p.m. on 24 July 2014 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 16 July 2014, will be made on 1 August 2014.

## 11. SEGMENT INFORMATION

|                                                              | -----Rail----- |         | Bus        | Taxi       |         |             | Engineering | Other    | Investment       | Consolidation |           |
|--------------------------------------------------------------|----------------|---------|------------|------------|---------|-------------|-------------|----------|------------------|---------------|-----------|
|                                                              | Train          | LRT     | operations | operations | Rental  | Advertising | Services    | Services | holding and      | elimination   | Total     |
|                                                              | \$'000         | \$'000  | \$'000     | \$'000     | \$'000  | \$'000      | \$'000      | \$'000   | support services | & adjustments | \$'000    |
| <b>Revenue and expenses</b>                                  |                |         |            |            |         |             |             |          |                  |               |           |
| <b>4Q FY2014</b>                                             |                |         |            |            |         |             |             |          |                  |               |           |
| Revenue                                                      |                |         |            |            |         |             |             |          |                  |               |           |
| - external customers                                         | 153,504        | 2,481   | 54,820     | 34,275     | 25,089  | 8,051       | 5,542       | 5,764    | -                | -             | 289,526   |
| - inter-segment                                              | -              | -       | 29         | -          | -       | 26          | 48          | 144      | 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                                |                |         |            |            |         |             |             |          |                  |               | 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    |
| <b>4Q FY2013</b>                                             |                |         |            |            |         |             |             |          |                  |               |           |
| Revenue                                                      |                |         |            |            |         |             |             |          |                  |               |           |
| - external customers                                         | 150,665        | 2,706   | 52,264     | 33,507     | 22,560  | 7,217       | 5,537       | 6,762    | 106              | -             | 281,324   |
| - inter-segment                                              | -              | -       | 79         | -          | -       | -           | 80          | 115      | 16,299           | (16,573)      | -         |
| Operating expenses (net of other income)                     | (130,543)      | (2,972) | (58,279)   | (24,725)   | (3,196) | (2,342)     | (4,903)     | (6,865)  | (15,232)         | 16,573        | (232,484) |
| Depreciation and amortisation                                | (19,287)       | (27)    | (6,034)    | (8,144)    | (2,660) | (572)       | (3)         | (43)     | (861)            | (281)         | (37,912)  |
| Segment operating results                                    | 835            | (293)   | (11,970)   | 638        | 16,704  | 4,303       | 711         | (31)     | 312              | (281)         | 10,928    |
| Impairment of interest in associate                          |                |         |            |            |         |             |             |          |                  |               | (17,294)  |
| Finance costs                                                |                |         |            |            |         |             |             |          |                  |               | (2,577)   |
| Interest income                                              |                |         |            |            |         |             |             |          |                  |               | 806       |
| Investment income                                            |                |         |            |            |         |             |             |          |                  |               | -         |
| Share of results of associate                                |                |         |            |            |         |             |             |          |                  |               | 429       |
| Income tax expense                                           |                |         |            |            |         |             |             |          |                  |               | (4,341)   |
| Profit after taxation                                        |                |         |            |            |         |             |             |          |                  |               | (12,049)  |
| Non-controlling interest                                     |                |         |            |            |         |             |             |          |                  |               | 122       |
| Profit for the period attributable to equity holders of SMRT |                |         |            |            |         |             |             |          |                  |               | (11,927)  |

Management monitors the results of its business units for the purpose of making business decisions about resource allocation and performance assessment. In the current year, the segments have been 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 and is consistent with the internal reporting provided to the Group's CEO.

## 11. SEGMENT INFORMATION (cont'd)

|                                                              | -----Rail----- |          | Bus        | Taxi       |          |             | Engineering | Other    | Investment       | Consolidation |           |
|--------------------------------------------------------------|----------------|----------|------------|------------|----------|-------------|-------------|----------|------------------|---------------|-----------|
|                                                              | Train          | LRT      | operations | operations | Rental   | Advertising | Services    | Services | holding and      | elimination   | Total     |
|                                                              | \$'000         | \$'000   | \$'000     | \$'000     | \$'000   | \$'000      | \$'000      | \$'000   | support services | & adjustments | \$'000    |
| <b>Revenue and expenses</b>                                  |                |          |            |            |          |             |             |          |                  |               |           |
| <b>FY2014</b>                                                |                |          |            |            |          |             |             |          |                  |               |           |
| 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                                |                |          |            |            |          |             |             |          |                  |               | (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    |
| <b>FY2013</b>                                                |                |          |            |            |          |             |             |          |                  |               |           |
| Revenue                                                      |                |          |            |            |          |             |             |          |                  |               |           |
| - external customers                                         | 607,864        | 10,660   | 210,796    | 132,113    | 88,393   | 30,907      | 13,118      | 25,422   | 196              | -             | 1,119,469 |
| - inter-segment                                              | -              | -        | 184        | -          | -        | 43          | 334         | 567      | 55,340           | (56,468)      | -         |
| Operating expenses (net of other income)                     | (467,212)      | (11,618) | (215,409)  | (95,112)   | (10,774) | (10,330)    | (11,857)    | (24,505) | (51,041)         | 56,468        | (841,390) |
| Depreciation and amortisation                                | (75,532)       | (89)     | (27,311)   | (30,563)   | (10,604) | (2,265)     | (11)        | (164)    | (3,016)          | (1,025)       | (150,580) |
| Segment operating results                                    | 65,120         | (1,047)  | (31,740)   | 6,438      | 67,015   | 18,355      | 1,584       | 1,320    | 1,479            | (1,025)       | 127,499   |
| Impairment of interest in associate                          |                |          |            |            |          |             |             |          |                  |               | (17,294)  |
| Finance costs                                                |                |          |            |            |          |             |             |          |                  |               | (7,065)   |
| Interest income                                              |                |          |            |            |          |             |             |          |                  |               | 2,125     |
| Investment income                                            |                |          |            |            |          |             |             |          |                  |               | 180       |
| Share of results of associate                                |                |          |            |            |          |             |             |          |                  |               | (381)     |
| Income tax expense                                           |                |          |            |            |          |             |             |          |                  |               | (21,864)  |
| Profit after taxation                                        |                |          |            |            |          |             |             |          |                  |               | 83,200    |
| Non-controlling interest                                     |                |          |            |            |          |             |             |          |                  |               | 138       |
| Profit for the period attributable to equity holders of SMRT |                |          |            |            |          |             |             |          |                  |               | 83,338    |

Management monitors the results of its business units for the purpose of making business decisions about resource allocation and performance assessment. In the current year, the segments have been 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 and is consistent with the internal reporting provided to the Group's CEO.

## 12. INTERESTED PERSON TRANSACTIONS

The aggregate value of interested person transactions entered into during 4Q FY2014 and FY2014 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 FY2014                                                                                                                                                     | FY2014       | 4Q FY2014                                                                                                                                                                                                             | FY2014   |
|                                                       | \$ '000                                                                                                                                                       | \$ '000      | \$ '000                                                                                                                                                                                                               | \$ '000  |
| <b><u>Sale of Goods and Services</u></b>              |                                                                                                                                                               |              |                                                                                                                                                                                                                       |          |
| Certis CISCO Aviation Security Pte Ltd                | 292                                                                                                                                                           | 1,084        | -                                                                                                                                                                                                                     | -        |
| MediaCorp Pte Ltd                                     | 648                                                                                                                                                           | 648          | -                                                                                                                                                                                                                     | -        |
| PSA Marine Pte Ltd                                    | 47                                                                                                                                                            | 151          | -                                                                                                                                                                                                                     | -        |
| Singapore Telecommunications Ltd <sup>(1)</sup>       | 25                                                                                                                                                            | 142          | -                                                                                                                                                                                                                     | -        |
| SingTel Mobile Singapore Pte Ltd <sup>(1)</sup>       | -                                                                                                                                                             | 690          | -                                                                                                                                                                                                                     | -        |
| Singapore Technologies Electronics Ltd <sup>(2)</sup> | -                                                                                                                                                             | 346          | -                                                                                                                                                                                                                     | -        |
| SIA Engineering Company Limited                       | 89                                                                                                                                                            | 365          | -                                                                                                                                                                                                                     | -        |
| Starhub Ltd                                           | 108                                                                                                                                                           | 108          | -                                                                                                                                                                                                                     | -        |
| <b><u>Purchases of Goods and Services</u></b>         |                                                                                                                                                               |              |                                                                                                                                                                                                                       |          |
| Singapore Technologies Electronics Ltd <sup>(2)</sup> | -                                                                                                                                                             | 734          | -                                                                                                                                                                                                                     | -        |
| Singapore Technologies Kinetics Ltd <sup>(2)</sup>    | 707                                                                                                                                                           | 707          | -                                                                                                                                                                                                                     | -        |
| Singapore Telecommunications Ltd <sup>(1)</sup>       | 922                                                                                                                                                           | 922          | -                                                                                                                                                                                                                     | -        |
| Singapore Test Services Pte Ltd <sup>(2)</sup>        | 146                                                                                                                                                           | 146          | -                                                                                                                                                                                                                     | -        |
| Power Automation Pte Ltd                              | -                                                                                                                                                             | 403          | -                                                                                                                                                                                                                     | -        |
| <b>Total</b>                                          | <b>2,984</b>                                                                                                                                                  | <b>6,446</b> | <b>-</b>                                                                                                                                                                                                              | <b>-</b> |

(1) Part of SingTel Group

(2) 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 2014

## 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 13 to 91, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2014, 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 2014, 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 2014