

SMRT CORPORATION LTD

(Company Registration No: 200001855H)

Results for the Third Quarter ended 31 December 2014

The Directors of SMRT Corporation Ltd wish to announce the unaudited results of the Group for the third quarter ended 31 December 2014 (“3Q FY2015”) and for the period 1 April 2014 to 31 December 2014 (“YTD FY2015”).

1(a)(i) CONSOLIDATED INCOME STATEMENT

		The Group					
		Oct - Dec 2014	Oct - Dec 2013	Increase/ (Decrease)	Apr - Dec 2014	Apr - Dec 2013	Increase/ (Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		313,191	293,304	6.8	924,322	874,367	5.7
	- Rail	164,154	158,798	3.4	492,232	478,160	2.9
	- Bus	59,086	54,186	9.0	177,878	162,970	9.1
	- Non-Fare	89,951	80,320	12.0	254,212	233,237	9.0
Other operating income		13,723	10,623	29.2	38,693	29,710	30.2
	- Rail	2,408	3,375	(28.7)	8,979	10,123	(11.3)
	- Bus	10,536	6,065	73.7	27,140	16,457	64.9
	- Non-Fare	779	1,183	(34.2)	2,574	3,130	(17.8)
		326,914	303,927	7.6	963,015	904,077	6.5
Staff costs		(120,317)	(119,636)	0.6	(362,353)	(350,835)	3.3
	- Rail	(64,333)	(66,381)	(3.1)	(194,135)	(195,019)	(0.5)
	- Bus	(35,749)	(34,284)	4.3	(107,021)	(99,777)	7.3
	- Non-Fare	(20,235)	(18,971)	6.7	(61,197)	(56,039)	9.2
Depreciation of property, plant and equipment		(52,269)	(45,783)	14.2	(149,006)	(133,385)	11.7
	- Rail	(29,080)	(25,905)	12.3	(83,668)	(75,485)	10.8
	- Bus	(6,810)	(6,610)	3.0	(19,630)	(19,447)	0.9
	- Non-Fare	(16,379)	(13,268)	23.4	(45,708)	(38,453)	18.9
Amortisation of asset-related grants		2,360	2,545	(7.3)	7,279	7,450	(2.3)
	- Rail	2,245	2,384	(5.8)	6,945	7,220	(3.8)
	- Bus	50	24	108.3	140	70	100.0
	- Non-Fare	65	137	(52.6)	194	160	21.3
Repairs and maintenance costs		(29,266)	(27,359)	7.0	(87,430)	(83,610)	4.6
	- Rail	(18,497)	(16,487)	12.2	(52,883)	(49,958)	5.9
	- Bus	(5,124)	(6,209)	(17.5)	(18,461)	(19,567)	(5.7)
	- Non-Fare	(5,645)	(4,663)	21.1	(16,086)	(14,085)	14.2
Electricity and diesel costs		(36,015)	(38,797)	(7.2)	(115,760)	(125,409)	(7.7)
	- Rail	(23,704)	(25,569)	(7.3)	(77,216)	(88,112)	(12.4)
	- Bus	(12,160)	(13,042)	(6.8)	(38,005)	(36,752)	3.4
	- Non-Fare	(151)	(186)	(18.8)	(539)	(545)	(1.1)
Other operating expenses		(60,369)	(54,791)	10.2	(162,086)	(155,963)	3.9
	- Rail	(31,049)	(30,447)	2.0	(87,615)	(86,320)	1.5
	- Bus	(10,531)	(8,894)	18.4	(30,346)	(27,989)	8.4
	- Non-Fare	(18,789)	(15,450)	21.6	(44,125)	(41,654)	5.9
Total expenses		(295,876)	(283,821)	4.2	(869,356)	(841,752)	3.3
	- Rail	(164,418)	(162,405)	1.2	(488,572)	(487,674)	0.2
	- Bus	(70,324)	(69,015)	1.9	(213,323)	(203,462)	4.8
	- Non-Fare	(61,134)	(52,401)	16.7	(167,461)	(150,616)	11.2
Profit/(Loss) from operations		31,038	20,106	54.4	93,659	62,325	50.3
	- Rail	2,144	(232)	1,024.1	12,639	609	1,975.4
	- Bus	(702)	(8,764)	92.0	(8,305)	(24,035)	65.4
	- Non-Fare	29,596	29,102	1.7	89,325	85,751	4.2
Finance costs		(3,179)	(2,626)	21.1	(9,426)	(7,853)	20.0
Interest and investment income		459	388	18.3	1,298	1,362	(4.7)
Share of results of associate and joint ventures (net of tax)		(184)	(231)	20.3	(42)	(759)	94.5
Profit before income tax		28,134	17,637	59.5	85,489	55,075	55.2
Income tax expense		(5,567)	(3,516)	58.3	(15,811)	(10,322)	53.2
Profit after taxation		22,567	14,121	59.8	69,678	44,753	55.7
Attributable to:							
Equity holders of SMRT		22,549	14,234	58.4	70,185	44,984	56.0
Non-controlling interest		18	(113)	115.9	(507)	(231)	(119.5)
Profit for the period		22,567	14,121	59.8	69,678	44,753	55.7

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

	The Group					
	Oct - Dec 2014	Oct - Dec 2013	Increase/ (Decrease) %	Apr - Dec 2014	Apr - Dec 2013	Increase/ (Decrease) %
EBITDA (\$'000)	80,947	63,344	27.8	235,386	188,260	25.0
EBITDA margin	25.8%	21.6%	4.2	25.5%	21.5%	4.0
EBIT margin	9.9%	6.9%	3.0	10.1%	7.1%	3.0
PAT margin	7.2%	4.8%	2.4	7.5%	5.1%	2.4
Interest coverage (x)	25.5	24.1	5.6	25.0	24.0	4.2
Earnings Per Share (EPS) (cents)						
- basic	1.5	0.9	58.4	4.6	3.0	56.0
- diluted	1.5	0.9	58.2	4.6	3.0	55.9
Economic Value Added (EVA) (\$'000)	5,930	1,089	444.7	23,201	5,102	354.7
Return On Equity (ROE)				11.4%	7.7%	3.7

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

	The Group			
	Oct - Dec 2014 \$'000	Oct - Dec 2013 \$'000	Apr - Dec 2014 \$'000	Apr - Dec 2013 \$'000
<i>After Charging/(Crediting) :-</i>				
- Impairment loss made for trade receivables	107	81	794	210
- (Write-back)/Allowance for obsolete inventories	(68)	78	(35)	493
- Inventory written off	-	89	34	92
- Foreign exchange (gain)/loss	(30)	(42)	237	(45)
- Gain on disposal of property, plant and equipment	(277)	(305)	(268)	(925)
- Property, plant and equipment written off	5,253	179	5,444	544
- Under/(Over) provision of current tax in respect of prior years	510	-	519	(83)

1(b) EARNINGS PER ORDINARY SHARE

	The Group					
	Oct - Dec 2014	Oct - Dec 2013	Increase/ (Decrease) %	Apr - Dec 2014	Apr - Dec 2013	Increase/ (Decrease) %
Earnings per ordinary share (cents)*:-						
(a) Basic	1.5	0.9	58.4	4.6	3.0	56.0
- Weighted average number of shares for basic EPS ('000)	1,522,138	1,521,508		1,521,928	1,521,332	
(b) Fully Diluted	1.5	0.9	58.2	4.6	3.0	55.9
- Weighted average number of shares for diluted EPS ('000)	1,525,842	1,523,878		1,524,056	1,522,983	

* To the nearest 0.1 cents

1(c)(i) BALANCE SHEETS

Notes	The Group		The Company	
	As at	As at	As at	As at
	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	1,969,546	1,641,769	9,920	11,537
Intangible asset	13,614	13,614	-	-
Investments in subsidiaries	-	-	325,823	325,823
Interests in associate and joint ventures	56,549	52,629	-	-
Other investments	20,946	20,713	-	-
	<u>2,060,655</u>	<u>1,728,725</u>	<u>335,743</u>	<u>337,360</u>
Current assets				
Inventories	86,832	84,325	-	-
Trade and other receivables	138,493	98,938	129,552	78,965
Other investments	5,000	5,000	-	-
Tax recoverable	-	-	4,402	-
Fixed deposits with banks and financial institutions	78,995	8,615	-	-
Cash at banks and in hand	118,429	146,909	2,905	5,682
	<u>427,749</u>	<u>343,787</u>	<u>136,859</u>	<u>84,647</u>
Total assets	(a) <u>2,488,404</u>	<u>2,072,512</u>	<u>472,602</u>	<u>422,007</u>
Equity attributable to equity holders of SMRT				
Share capital	169,143	168,240	169,143	168,240
Reserves	3,501	2,229	2,652	1,977
Accumulated profits	660,413	631,283	219,501	227,759
	<u>833,057</u>	<u>801,752</u>	<u>391,296</u>	<u>397,976</u>
Non-controlling interest	(599)	(92)	-	-
Total equity	<u>832,458</u>	<u>801,660</u>	<u>391,296</u>	<u>397,976</u>
Non-current liabilities				
Interest-bearing borrowings	801,071	480,017	-	-
Provisions	29	25	-	-
Deferred tax liabilities	162,291	155,808	1,183	1,435
Fuel equalisation account	20,312	20,312	-	-
Deferred grants	42,503	48,949	8	42
Trade and other payables	200,525	-	-	-
	<u>1,226,731</u>	<u>705,111</u>	<u>1,191</u>	<u>1,477</u>
Current liabilities				
Interest-bearing borrowings	58,063	156,393	49,900	-
Trade and other payables	316,702	355,183	29,835	22,302
Provisions	54,126	50,263	380	252
Current tax payable	324	3,902	-	-
	<u>429,215</u>	<u>565,741</u>	<u>80,115</u>	<u>22,554</u>
Total liabilities	(b) <u>1,655,946</u>	<u>1,270,852</u>	<u>81,306</u>	<u>24,031</u>
Total equity and liabilities	<u>2,488,404</u>	<u>2,072,512</u>	<u>472,602</u>	<u>422,007</u>

Notes to Balance Sheets:

- (a) Total assets increased by \$415.9 million (20.1%) due mainly to higher property, plant and equipment (\$327.8 million), trade and other receivables (\$39.6 million) and cash and cash equivalents (\$41.9 million).

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

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

- (b) Total liabilities increased by \$385.1 million (30.3%) due mainly to higher borrowings (\$222.7 million) and trade and other payables (\$162.0 million).

The higher borrowings were due mainly to the issuance of \$100.0 million 10-year fixed rate notes in June 2014, \$200.0 million 3-year fixed rate notes in October 2014, offset by the repayment of \$150.0 million fixed rate notes in October 2014.

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

As at 31 December 2014, the Group was in a net current liabilities position. Included in current liabilities are deposits from commercial tenants of \$38.8 million and provisions of \$54.1 million. These current liabilities, because of their nature, are not expected to result in significant cash outflow from the Group within the next 12 months.

1(c)(ii) GROUP'S BORROWINGS

	As at 31 Dec 2014 \$'000	As at 31 Mar 2014 \$'000
<u>Amount repayable in one year or less, or on demand</u>		
Secured SGD fixed rate loan - at 6.0% per annum	3,991	2,343
Unsecured SGD fixed rate loan - at 4.0% per annum	4,172	4,050
Unsecured quoted SGD fixed rate notes - at 2.42% per annum due October 2014	-	150,000
Unsecured bank loan - at 0.51% per annum due January 2015	49,900	-
Total unsecured borrowings	54,072	154,050
	58,063	156,393

Amount repayable after one year

Secured SGD fixed rate loan - at 6.0% per annum	51,071	30,017
Unsecured quoted SGD fixed rate notes - at 1.2% per annum due October 2017	350,000	350,000
Unsecured quoted SGD fixed rate notes - at 2.363% per annum due October 2022	100,000	100,000
Unsecured quoted SGD fixed rate notes - at 3.072% per annum due June 2024	100,000	-
Unsecured quoted SGD fixed rate notes - at 1.388% per annum due October 2017	200,000	-
Total unsecured borrowings	750,000	450,000
	801,071	480,017

Details of any collaterals

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

Net Gearing

	The Group	
	As at 31 Dec 2014	As at 31 Mar 2014
Net gearing	0.79	0.60

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

	The Group		The Company	
	As at	As at	As at	As at
	<u>31 Dec 2014</u>	<u>31 Mar 2014</u>	<u>31 Dec 2014</u>	<u>31 Mar 2014</u>
Net asset value per ordinary share (cents)	54.7	52.7	25.7	26.2
Net tangible asset per ordinary share ¹ (cents)	53.8	51.8	25.7	26.2
Number of shares at end of period (excluding treasury shares) ² ('000)	<u>1,522,138</u>	<u>1,521,508</u>	<u>1,522,138</u>	<u>1,521,508</u>

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

² *Treasury shares - nil.*

1(d) CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group			
	Oct - Dec	Oct - Dec	Apr - Dec	Apr - Dec
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Notes				
Operating activities				
Profit before income tax	28,134	17,637	85,489	55,075
<i>Adjustments for:</i>				
Amortisation of asset-related grants	(2,360)	(2,545)	(7,279)	(7,450)
Changes in fair value of financial instruments	-	6	-	-
Depreciation of property, plant and equipment	52,269	45,783	149,006	133,385
Dividend income	-	-	(206)	(206)
Grant released upon disposal/write-off of property, plant and equipment	(1)	(17)	(3)	(19)
Interest expense	3,179	2,626	9,426	7,853
Interest income	(459)	(388)	(1,092)	(1,156)
Gain on disposal of property, plant and equipment	(277)	(305)	(268)	(925)
Property, plant and equipment written off	5,253	179	5,444	544
Provisions made	4,933	4,353	15,180	17,532
Share-based payment expenses	674	(6)	1,578	98
Share of results of associate and joint ventures	184	231	42	759
Grants	(7,847)	(4,288)	(21,330)	(10,300)
	83,682	63,266	235,987	195,190
<i>Changes in working capital:</i>				
Inventories	204	(3,963)	(2,507)	(23,726)
Trade and other receivables	(12,314)	(2,649)	(26,277)	2,157
Trade and other payables	(31,257)	968	2,166	17,776
Cash generated from operations	40,315	57,622	209,369	191,397
Income taxes paid	(94)	(2,464)	(177)	(2,358)
Interest paid	(6,652)	(5,111)	(11,734)	(10,194)
Cash flows from operating activities	(a) 33,569	50,047	197,458	178,845
Investing activities				
Dividends received	-	-	206	206
Interest received	183	158	830	967
Investments in joint ventures	(1,150)	-	(1,150)	-
Purchase of property, plant and equipment	(111,115)	(90,125)	(359,694)	(603,700)
Proceeds from disposal of:				
- property, plant and equipment	567	333	1,312	1,337
Cash flows from investing activities	(b) (111,515)	(89,634)	(358,496)	(601,190)
Financing activities				
Proceeds from issuance of shares under share option plan	-	-	-	46
Proceeds from issuance of unsecured quoted notes	200,000	-	300,000	-
Repayment of financial liabilities	(150,000)	-	(150,000)	-
Dividends paid	(22,832)	(15,215)	(41,090)	(30,425)
Proceeds from unclaimed dividends	-	-	35	-
Proceeds from borrowings	69,291	3,223	75,086	20,186
Grants received	7,855	6,053	18,508	13,849
Cash flows from financing activities	(c) 104,314	(5,939)	202,539	3,656
Net increase/(decrease) in cash and cash equivalents	(d) 26,368	(45,526)	41,501	(418,689)
Cash and cash equivalents at beginning of the period	170,727	173,270	155,524	546,294
Effect of exchange rate fluctuations on cash held	329	65	399	204
Cash and cash equivalents at end of the period	197,424	127,809	197,424	127,809
<u>Cash and cash equivalents at end of the period comprise:</u>				
Fixed deposits with banks and financial institutions	78,995	28,610	78,995	28,610
Cash at banks and in hand	118,429	99,199	118,429	99,199
	197,424	127,809	197,424	127,809

Notes to Consolidated Statement of Cash Flows:

- (a) Net cash inflow from operating activities of \$33.6 million for 3Q FY2015 was lower compared to \$50.0 million for 3Q FY2014, due mainly to higher working capital cash outflow partially offset by higher profitability. Net cash inflow from operating activities of \$197.5 million for YTD FY2015 was higher compared to \$178.8 million for YTD FY2014, due mainly to higher profitability.
- (b) Net cash outflow from investing activities of \$111.5 million for 3Q FY2015 was higher compared to \$89.6 million for 3Q FY2014, due mainly to higher payment for purchase of property, plant and equipment. Net cash outflow from investing activities of \$358.5 million for YTD FY2015 was lower compared to \$601.2 million for YTD FY2014, due mainly to lower payment for purchase of property, plant and equipment.
- (c) Net cash inflow from financing activities of \$104.3 million for 3Q FY2015 compared to net cash outflow of \$5.9 million for 3Q FY2014 was due mainly to proceeds from issuance of \$200.0 million fixed rate notes and higher proceeds from borrowings, partially offset by repayment of \$150.0 million fixed rate notes. Net cash inflow from financing activities of \$202.5 million for YTD FY2015 was higher compared to \$3.7 million for YTD FY2014, due mainly to proceeds from issuance of \$300.0 million fixed rate notes and higher proceeds from borrowings, partially offset by repayment of \$150.0 million fixed rate notes.
- (d) Net increase in cash and cash equivalents of \$26.4 million in 3Q FY2015 compared to a net decrease in 3Q FY2014, was due to higher net financing cash inflow, partially offset by higher net investing cash outflow and lower operating cash inflow. Net increase in cash and cash equivalents of \$41.5 million in YTD FY2015 compared to a net decrease in YTD FY2014 was due to higher net financing and operating cash inflow, and lower net investing cash outflow.

1(e) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group			
	Oct - Dec 2014	Oct - Dec 2013	Apr - Dec 2014	Apr - Dec 2013
	\$'000	\$'000	\$'000	\$'000
Profit for the period	22,567	14,121	69,678	44,753
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to the income statement:				
Change in fair value of available-for-sale financial assets, net of tax	-	(258)	258	(928)
Effective portion of changes in fair value of cash flow hedge, net of tax	(4,034)	-	(4,130)	1,112
Change in fair value of cash flow hedge transferred to the income statement, net of tax	1,541	47	1,648	(970)
Currency translation differences arising from consolidation	2,136	1,282	2,821	3,682
Other comprehensive income/(loss) for the period, net of tax	(357)	1,071	597	2,896
Total comprehensive income for the period	<u>22,210</u>	<u>15,192</u>	<u>70,275</u>	<u>47,649</u>
Attributable to:				
Equity holders of SMRT	22,192	15,305	70,782	47,880
Non-controlling interest	18	(113)	(507)	(231)
	<u>22,210</u>	<u>15,192</u>	<u>70,275</u>	<u>47,649</u>

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

The Group

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

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

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

The Group

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Fair Value Reserve \$'000	Hedge Reserve \$'000	Share-based Payment Reserve \$'000	Accumulated Profits \$'000	Total Attributable to Equity Holders of SMRT \$'000	Non-Controlling Interest \$'000	Total Equity \$'000
At 1 Apr 2013	167,496	(2,878)	1,547	(283)	2,560	599,806	768,248	312	768,560
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	16,349	16,349	(21)	16,328
Other comprehensive income/(loss), net of tax *	-	2,805	(309)	311	-	-	2,807	-	2,807
Total comprehensive income/(loss)	-	2,805	(309)	311	-	16,349	19,156	(21)	19,135
Transactions with owners of the Company, recorded directly in equity									
Issue of shares under SMRT ESOP	8	-	-	-	-	-	8	-	8
Value of employee services received for share-based payment	-	-	-	-	885	-	885	-	885
Total transactions with owners	8	-	-	-	885	-	893	-	893
At 30 Jun 2013	167,504	(73)	1,238	28	3,445	616,155	788,297	291	788,588
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	14,401	14,401	(97)	14,304
Other comprehensive income/(loss), net of tax *	-	(405)	(361)	(216)	-	-	(982)	-	(982)
Total comprehensive income/(loss)	-	(405)	(361)	(216)	-	14,401	13,419	(97)	13,322
Transactions with owners of the Company, recorded directly in equity									
Issue of shares under SMRT ESOP	38	-	-	-	-	-	38	-	38
Issue of performance shares	698	-	-	-	(698)	-	-	-	-
Value of employee services received for share-based payment	-	-	-	-	(781)	-	(781)	-	(781)
Dividends paid	-	-	-	-	-	(15,210)	(15,210)	-	(15,210)
Total transactions with owners	736	-	-	-	(1,479)	(15,210)	(15,953)	-	(15,953)
At 30 Sep 2013	168,240	(478)	877	(188)	1,966	615,346	785,763	194	785,957
Total comprehensive income/(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	14,234	14,234	(113)	14,121
Other comprehensive income/(loss), net of tax *	-	1,282	(258)	47	-	-	1,071	-	1,071
Total comprehensive income/(loss)	-	1,282	(258)	47	-	14,234	15,305	(113)	15,192
Transactions with owners of the Company, recorded directly in equity									
Value of employee services received for share-based payment	-	-	-	-	(6)	-	(6)	-	(6)
Dividends paid	-	-	-	-	-	(15,215)	(15,215)	-	(15,215)
Total transactions with owners	-	-	-	-	(6)	(15,215)	(15,221)	-	(15,221)
At 31 Dec 2013	168,240	804	619	(141)	1,960	614,365	785,847	81	785,928

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

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

The Company

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

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

The Company

	Share Capital \$'000	Share-based Payment Reserve \$'000	Accumulated Profits \$'000	Total Equity \$'000
At 1 Apr 2013	167,496	2,560	235,207	405,263
Total comprehensive income/(loss) for the period				
Loss for the period	-	-	(15,286)	(15,286)
Transactions with owners, recorded directly in equity				
Issue of shares under SMRT ESOP	8	-	-	8
Value of employee services received for share-based payment	-	885	-	885
Total transactions with owners	8	885	-	893
At 30 Jun 2013	167,504	3,445	219,921	390,870
Total comprehensive income/(loss) for the period				
Profit for the period	-	-	1,011	1,011
Transactions with owners, recorded directly in equity				
Issue of shares under SMRT ESOP	38	-	-	38
Issue of performance shares	698	(698)	-	-
Value of employee services received for share-based payment	-	(781)	-	(781)
Dividends paid	-	-	(15,210)	(15,210)
Total transactions with owners	736	(1,479)	(15,210)	(15,953)
At 30 Sep 2013	168,240	1,966	205,722	375,928
Total comprehensive income/(loss) for the period				
Profit for the period	-	-	1,739	1,739
Transactions with owners, recorded directly in equity				
Value of employee services received for share-based payment	-	(6)	-	(6)
Dividends paid	-	-	(15,215)	(15,215)
Total transactions with owners	-	(6)	(15,215)	(15,221)
At 31 Dec 2013	168,240	1,960	192,246	362,446

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

The Company did not hold any treasury shares in 3Q FY2015 and as at 31 December 2014 (31 December 2013: Nil).

As at 31 December 2014, the number of outstanding conditional shares awarded under the SMRT Corporation Restricted Share Plan ("SMRT RSP") and SMRT Corporation Performance Share Plan ("SMRT PSP") was 4,191,582 (31 December 2013: 2,369,800).

2. AUDIT

The figures for the quarters and periods ended 31 December 2014 and 31 December 2013 have not been audited or reviewed by our external auditors.

3. ACCOUNTING POLICIES

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current period compared with the audited financial statements as at 31 March 2014.

The Group has adopted the following new or revised Financial Reporting Standards ("FRS") that are effective for the Group's annual periods beginning on or after 1 April 2014. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

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

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

4. **REVIEW OF GROUP PERFORMANCE (3Q FY2015 AND YTD FY2015 AGAINST PREVIOUS CORRESPONDING PERIODS)**

4.1 **Overview**

Group **revenue** increased by \$19.9 million (6.8%) in 3Q FY2015 and \$50.0 million (5.7%) in YTD FY2015 compared to previous corresponding periods across most segments.

Group's **Fare business** recorded an operating profit of \$1.9 million in 3Q FY2015 and \$6.3 million in YTD FY2015 compared to an operating loss in previous corresponding periods, due mainly to better performance in both the Train and Bus operations.

Operating profit from the Group's **Non-Fare business** increased by \$0.8 million (2.8%) in 3Q FY2015 and \$6.3 million (7.9%) in YTD FY2015, due largely to an increase in profit for Rental segment.

As a result, Group **operating profit** increased by \$10.9 million (54.4%) in 3Q FY2015 and \$31.3 million (50.3%) in YTD FY2015 compared to previous corresponding periods.

Group **profit attributable to equity holders of SMRT** was higher by \$8.3 million (58.4%) in 3Q FY2015 and \$25.2 million (56.0%) in YTD FY2015 compared to previous corresponding periods.

4.2 **Explanatory notes to Consolidated Income Statement**

Other operating income increased by \$3.1 million (29.2%) in 3Q FY2015 and \$9.0 million (30.2%) in YTD FY2015 due mainly to higher BSEP grants. BSEP grants were utilised to recover part of the increased operating costs incurred for BSEP buses.

Staff costs increased by \$0.7 million (0.6%) in 3Q FY2015 and \$11.5 million (3.3%) in YTD FY2015 due mainly to increased headcount and salary increments, partially offset by write-back of prior years' provision.

Depreciation increased by \$6.5 million (14.2%) in 3Q FY2015 and \$15.6 million (11.7%) in YTD FY2015 due mainly to capitalisation of a larger train fleet as well as new taxis.

Repairs and maintenance costs increased by \$1.9 million (7.0%) in 3Q FY2015 and \$3.8 million (4.6%) in YTD FY2015 due mainly to Circle Line trains undergoing the first scheduled overhaul since operations started in FY2010 and higher cleaning costs. Repairs and maintenance for Taxi increased due to a larger fleet and overhaul works in line with the life cycle of the fleet.

Electricity and diesel costs decreased by \$2.8 million (7.2%) in 3Q FY2015 and \$9.6 million (7.7%) in YTD FY2015 due mainly to lower average electricity tariff and diesel cost, partially offset by higher consumption arising from a larger train and bus fleet.

Other operating expenses increased by \$5.6 million (10.2%) and \$6.1 million (3.9%) in 3Q FY2015 and YTD FY2015 respectively, due mainly to contribution to the Public Transport Fund ("PTF") as part of the conditions set in the fare adjustment that took effect on 6 April 2014 and early retirement of taxis.

Finance costs were higher in 3Q FY2015 and YTD FY2015 due mainly to the interest cost from the issuance of \$100 million fixed rate notes in June 2014 and \$200 million fixed rate notes in October 2014, partially offset by the repayment of \$150 million fixed rate notes in October 2014.

Share of results of associate and joint ventures relate to the 49% share of results of Shenzhen Zona, and 50% share of results of joint venture companies, Hailo Singapore and Railise. The loss incurred was due to start-up costs incurred for Hailo Singapore and Railise. However, this was mitigated by improved financial performance of Shenzhen Zona.

5. **REVIEW OF SEGMENT PERFORMANCE (3Q FY2015 AND YTD FY2015 AGAINST PREVIOUS CORRESPONDING PERIODS)**

A segmental breakdown by business is provided under note 9.

	Third Quarter			Year-to-date		
	3Q FY2015	3Q FY2014	Increase / (Decrease)	YTD FY2015	YTD FY2014	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Fare business</u>						
Revenue	223,240	212,984	4.8	670,110	641,130	4.5
Operating profit/(loss)	1,922	(8,909)	121.6	6,277	(21,208)	129.6
<u>Train operations</u>						
Revenue	161,794	156,286	3.5	484,923	470,301	3.1
Operating profit	3,197	411	677.9	15,780	4,290	267.8
<u>LRT operations</u>						
Revenue	2,360	2,512	(6.1)	7,309	7,859	(7.0)
Operating loss	(813)	(578)	(40.7)	(2,084)	(1,557)	(33.8)
<u>Bus operations</u>						
Revenue	59,086	54,186	9.0	177,878	162,970	9.1
Operating loss	(462)	(8,742)	94.7	(7,419)	(23,941)	69.0
<u>Non-Fare business</u>						
Revenue	89,951	80,320	12.0	254,212	233,237	9.0
Operating profit	27,989	27,228	2.8	85,060	78,805	7.9
<u>Taxi operations</u>						
Revenue	36,576	32,913	11.1	106,099	98,263	8.0
Operating profit	772	1,483	(47.9)	8,316	5,816	43.0
<u>Rental</u> ³						
Revenue	32,285	24,838	30.0	88,241	72,531	21.7
Operating profit	20,660	18,481	11.8	59,752	54,735	9.2
<u>Advertising</u> ⁴						
Revenue	9,921	10,797	(8.1)	28,643	27,582	3.8
Operating profit	6,472	6,945	(6.8)	17,273	16,446	5.0
<u>Engineering Services</u>						
Revenue	3,668	6,020	(39.1)	10,167	16,273	(37.5)
Operating (loss)/profit	(1,225)	890	(237.6)	(1,921)	2,635	(172.9)
<u>Other Services</u>						
Revenue	7,501	5,752	30.4	21,062	18,588	13.3
Operating profit/(loss)	1,310	(571)	329.4	1,640	(827)	298.3
<u>Investment holding & Support Services / Consolidation elimination & adjustments</u>						
Revenue	-	-	n.m.	-	-	n.m.
Operating profit	1,127	1,787	(36.9)	2,322	4,728	(50.9)
<u>Total</u>						
Revenue	313,191	293,304	6.8	924,322	874,367	5.7
Operating profit	31,038	20,106	54.4	93,659	62,325	50.3

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

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

Revenue from **Train operations** increased by \$5.5 million (3.5%) in 3Q FY2015 and \$14.6 million (3.1%) in YTD FY2015 due to higher ridership and average fare. Operating profit increased by \$2.8 million (677.9%) in 3Q FY2015 and \$11.5 million (267.8%) in YTD FY2015 on the back of higher revenue and productivity gains, partially offset by higher repairs and maintenance work on the ageing network and depreciation from a larger fleet.

Operating loss from **LRT operations** of \$0.8 million in 3Q FY2015 and \$2.1 million in YTD FY2015 widened compared to previous corresponding periods, due mainly to lower revenue and higher operating costs associated with the addition of new trains to the fleet in the current period.

Revenue from **Bus operations** increased by \$4.9 million (9.0%) in 3Q FY2015 and \$14.9 million (9.1%) in YTD FY2015 due to increased ridership and average fare. A lower operating loss at \$0.5 million in 3Q FY2015 was achieved due mainly to higher revenue, lower repairs and maintenance, and lower diesel costs, partially offset by higher staff costs and contribution to the PTF. A lower operating loss of \$7.4 million in YTD FY2015 was recorded due mainly to higher revenue and productivity management efforts, partially offset by higher diesel consumption and headcount increase resulting from an expanded fleet.

Taxi operating profit decreased by \$0.7 million (47.9%) in 3Q FY2015 due mainly to the early retirement of taxis, partially offset by higher rental contribution from a change in fleet composition and lower insurance expense resulting from better claim experience. Operating profit in YTD FY2015 increased by \$2.5 million (43.0%) due to higher rental contribution and lower insurance expense.

Rental revenue increased by \$7.4 million (30.0%) in 3Q FY2015 and \$15.7 million (21.7%) in YTD FY2015 due mainly to higher rental renewal rates of commercial spaces and rental revenue from the Kallang Wave mall. Operating profit increased by \$2.2 million (11.8%) in 3Q FY2015 and \$5.0 million (9.2%) in YTD FY2015 due to higher revenue partially offset by higher operating costs.

Advertising operating profit decreased by \$0.5 million (6.8%) in 3Q FY2015 due mainly to lower revenue earned in this quarter. However, operating profit in YTD FY2015 increased by \$0.8 million (5.0%) primarily from higher revenue earned in the nine-month period.

Engineering Services revenue decreased by \$2.4 million (39.1%) in 3Q FY2015 and \$6.1 million (37.5%) in YTD FY2015 due mainly to lower revenue from consultancy projects. Operating loss of \$1.2 million in 3Q FY2015 and \$1.9 million in YTD FY2015 were due mainly to expenses associated with the newly set up Singapore Rail Engineering.

Revenue of **Other Services** increased by \$1.7 million (30.4%) in 3Q FY2015 and \$2.5 million (13.3%) in YTD FY2015 due mainly to higher revenue from external fleet maintenance. As a result, operating profit of \$1.3 million in 3Q FY2015 and \$1.6 million in YTD FY2015 were recorded.

6. REVIEW OF PROSPECTS STATEMENT

The results for 3Q FY2015 are consistent with the prospects statement issued during the announcement of the 2Q FY2015 results.

7. PROSPECTS

The business environment continues to be challenging due to structural cost pressures arising from tightened regulatory standards and heightened operational demands on service, reliability and capacity. The impact of the overall rising costs will be partially mitigated next year by the recently approved fare adjustments, the recent decline in energy prices and the Group's ongoing productivity and cost management efforts. The Group continues to engage the authorities on the transition to a new rail financing framework.

SMRT Buses has recently submitted a bid to the authorities for the first package of routes tendered under the new bus contracting model. Tender evaluation by the authorities is currently underway and the outcome of the tender is not expected to have an impact on the results of the Group for the next 12 months as the implementation of this first package is expected to take place only in May 2016.

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

8. DIVIDENDS

No dividend will be declared for 3Q FY2015.

9. SEGMENT INFORMATION

	-----Rail-----		Bus	Taxi			Engineering	Other	Investment	Consolidation	
	Train	LRT	operations	operations	Rental ⁵	Advertising ⁶	Services	Services	holding and	elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	support services	& adjustments	\$'000
Revenue and expenses											
3Q FY2015											
Revenue											
- external customers	161,794	2,360	59,086	36,576	32,285	9,921	3,668	7,501	-	-	313,191
- inter-segment	-	-	6	-	-	79	240	161	15,119	(15,605)	-
Operating expenses (net of other income)	(131,821)	(3,115)	(52,795)	(24,565)	(8,257)	(2,881)	(5,125)	(6,313)	(12,942)	15,570	(232,244)
Depreciation and amortisation	(26,776)	(58)	(6,759)	(11,239)	(3,368)	(647)	(8)	(39)	(974)	(41)	(49,909)
Segment operating results	3,197	(813)	(462)	772	20,660	6,472	(1,225)	1,310	1,203	(76)	31,038
Finance costs											(3,179)
Interest income											459
Investment income											-
Share of results of associate and joint ventures (net of tax)											(184)
Income tax expense											(5,567)
Profit after taxation											22,567
Non-controlling interest											(18)
Profit for the period attributable to equity holders of SMRT											22,549
3Q FY2014											
Revenue											
- external customers	156,286	2,512	54,186	32,913	24,838	10,797	6,020	5,752	-	-	293,304
- inter-segment	-	-	20	-	-	35	49	127	14,209	(14,440)	-
Operating expenses (net of other income)	(132,415)	(3,029)	(56,361)	(22,928)	(3,385)	(3,195)	(5,175)	(6,399)	(11,513)	14,440	(229,960)
Depreciation and amortisation	(23,460)	(61)	(6,587)	(8,502)	(2,972)	(692)	(4)	(51)	(848)	(61)	(43,238)
Segment operating results	411	(578)	(8,742)	1,483	18,481	6,945	890	(571)	1,848	(61)	20,106
Finance costs											(2,626)
Interest income											388
Investment income											-
Share of results of associate and joint ventures (net of tax)											(231)
Income tax expense											(3,516)
Profit after taxation											14,121
Non-controlling interest											113
Profit for the period attributable to equity holders of SMRT											14,234

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

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

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

9. SEGMENT INFORMATION (cont'd)

	-----Rail-----		Bus	Taxi	Rental ⁷	Advertising ⁸	Engineering	Other	Investment	Consolidation	
	Train	LRT	operations	operations	\$'000	\$'000	Services	Services	holding and	elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	support services	& adjustments	\$'000
Revenue and expenses											
YTD FY2015											
Revenue											
- external customers	484,923	7,309	177,878	106,099	88,241	28,643	10,167	21,062	-	-	924,322
- inter-segment	-	-	143	-	-	216	537	444	43,912	(45,252)	-
Operating expenses (net of other income)	(392,599)	(9,215)	(165,951)	(67,064)	(18,826)	(9,513)	(12,609)	(19,745)	(38,631)	45,217	(688,936)
Depreciation and amortisation	(76,544)	(178)	(19,489)	(30,719)	(9,663)	(2,073)	(16)	(121)	(2,792)	(132)	(141,727)
Segment operating results	15,780	(2,084)	(7,419)	8,316	59,752	17,273	(1,921)	1,640	2,489	(167)	93,659
Finance costs											(9,426)
Interest income											1,092
Investment income											206
Share of results of associate and joint ventures (net of tax)											(42)
Income tax expense											(15,811)
Profit after taxation											69,678
Non-controlling interest											507
Profit for the period attributable to equity holders of SMRT											70,185
YTD FY2014											
Revenue											
- external customers	470,301	7,859	162,970	98,263	72,531	27,582	16,273	18,588	-	-	874,367
- inter-segment	-	-	93	-	-	64	325	467	42,968	(43,917)	-
Operating expenses (net of other income)	(397,866)	(9,296)	(167,627)	(67,657)	(9,100)	(9,228)	(13,953)	(19,742)	(35,555)	43,917	(686,107)
Depreciation and amortisation	(68,145)	(120)	(19,377)	(24,790)	(8,696)	(1,972)	(10)	(140)	(2,501)	(184)	(125,935)
Segment operating results	4,290	(1,557)	(23,941)	5,816	54,735	16,446	2,635	(827)	4,912	(184)	62,325
Finance costs											(7,853)
Interest income											1,156
Investment income											206
Share of results of associate and joint ventures (net of tax)											(759)
Income tax expense											(10,322)
Profit after taxation											44,753
Non-controlling interest											231
Profit for the period attributable to equity holders of SMRT											44,984

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

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

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

10. INTERESTED PERSON TRANSACTIONS

The aggregate value of interested person transactions entered into during 3Q FY2015 and YTD FY2015 are as follows:-

Name of Interested Person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)		Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
	3Q FY2015	YTD FY2015	3Q FY2015	YTD FY2015
	\$'000	\$'000	\$'000	\$'000
<u>Sale of Goods and Services</u>				
Certis CISCO Aviation Security Pte Ltd ⁽³⁾	-	268	-	-
Singapore Telecommunications Ltd ⁽¹⁾	282	463	-	-
SingTel Mobile Singapore Pte Ltd ⁽¹⁾	-	796	-	-
ST Synthesis Pte Ltd ⁽²⁾	-	136	-	-
SIA Engineering Company Limited	92	260	-	-
<u>Purchases of Goods and Services</u>				
Certis CISCO Security Pte Ltd ⁽³⁾	252	252	-	-
Singapore Technologies Electronics Ltd ⁽²⁾	454	454	-	-
Singapore Technologies Kinetics Ltd ⁽²⁾	249	119,936	-	-
Singapore Telecommunications Ltd ⁽¹⁾	411	411	-	-
Starhub Ltd	-	205	-	-
Total	1,740	123,181	-	-

(1) Part of SingTel Group

(2) Part of Singapore Technologies Engineering Group

(3) Part of Certis CISCO Security Group

BY ORDER OF THE BOARD

Ms Jacquelin Tay Gek Poh
Company Secretary
SMRT Corporation Ltd

29 January 2015

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

We, Koh Yong Guan and Desmond Kuek, being two directors of SMRT Corporation Ltd (the “Company”), do hereby confirm on behalf of the directors of the Company, that to the best of our knowledge, nothing has come to our attention which may render the 3Q FY2015 and YTD FY2015 unaudited financial results to be false or misleading in any material respect.

On behalf of the Board of Directors



Koh Yong Guan
Chairman



Desmond Kuek
President & Group CEO

29 January 2015