

FY2016 Financial Results

29 April 2016

Financial Overview

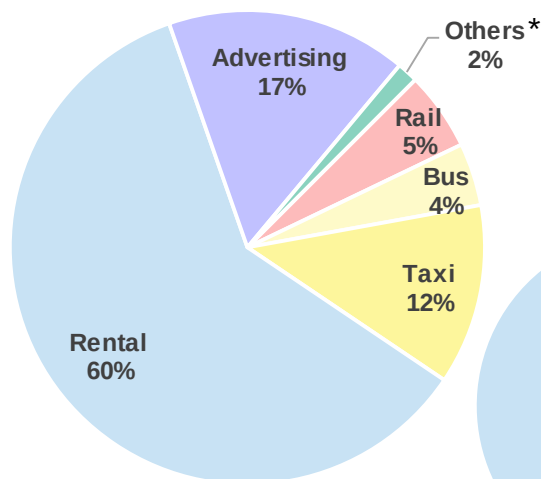
Revenue (\$'m) **+\$61.1m**
1,296.6 4.9%

Opex (\$'m) **+\$62.8m**
1,235.5 5.4%

PATMI (\$'m) **+\$18.3m**
109.3 20.1%

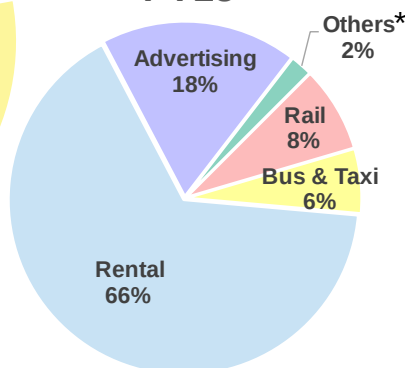
EBIT (\$'m)

FY16



138.5
+\$17.6m
 14.6%

FY15



* Others: Services & International, SRE, Auto, BusPlus, Investment holding & support services, and elimination.

Balance Sheet (\$'M)	Mar 16	Mar 15	Var
Assets	2,720.0	2,537.2	+182.8
Liabilities	1,805.8	1,678.3	+127.4
Equity	914.2	858.9	+55.4

Cash	232.2	156.1	+76.1
Free Cash Flow for the period	75.0	(183.5)	+258.6

Key Indicators	FY16	FY15	Var
EBIT margin (%)	10.7	9.8	+0.9
PAT margin (%)	8.4	7.3	+1.1
ROE (%)	12.3	11.0	+1.3
EPS (cents)	7.2	6.0	+1.2

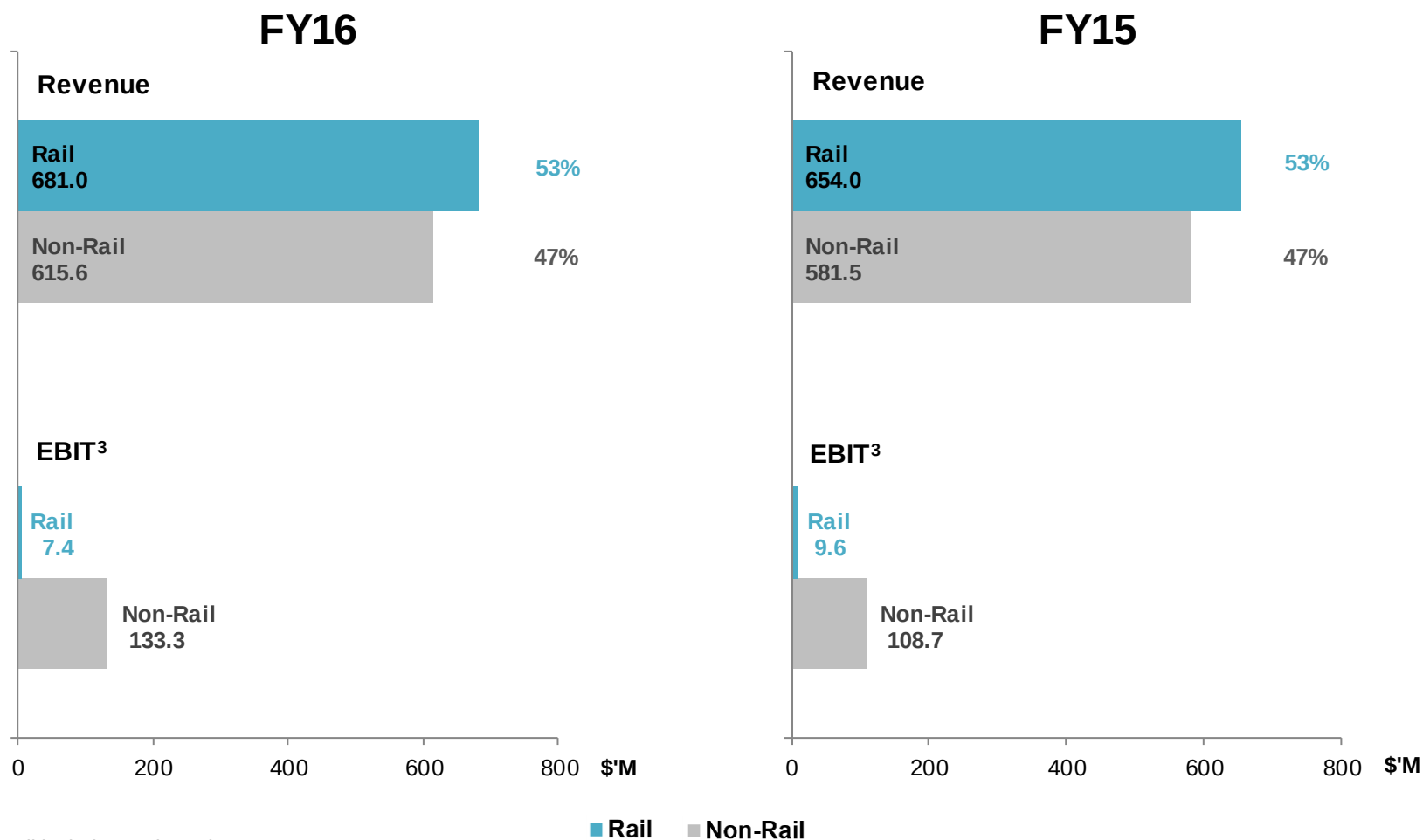
	Mar 16	Mar 15	Var
NTA/share (cents)	59.2	55.6	+3.6
Net gearing	0.64	0.77	-0.13



Financial Highlights

(\$'M)	4QFY16	4QFY15	chg	% chg	FY16	FY15	chg	% chg
Revenue	320.0	311.2	+ \$8.8	+ 2.8%	1,296.6	1,235.5	+ \$61.1	+ 4.9%
Operating Expenses	310.0	303.3	+ \$6.6	+ 2.2%	1,235.5	1,172.7	+ \$62.8	+ 5.4%
Operating Profit	32.8	27.1	+ \$5.7	+ 20.9%	138.5	120.8	+ \$17.6	+ 14.6%
PATMI	26.6	20.8	+ \$5.7	+ 27.6%	109.3	91.0	+ \$18.3	+ 20.1%
EBITDA	83.9	78.6	+ \$5.4	+ 6.9%	342.1	313.9	+ \$28.2	+ 9.0%
Basic EPS (cents)	1.74	1.37	+ 0.37 cent	+ 27.0%	7.17	5.98	+ 1.19 cents	+ 19.9%

Rail¹ vs Non-Rail² Results

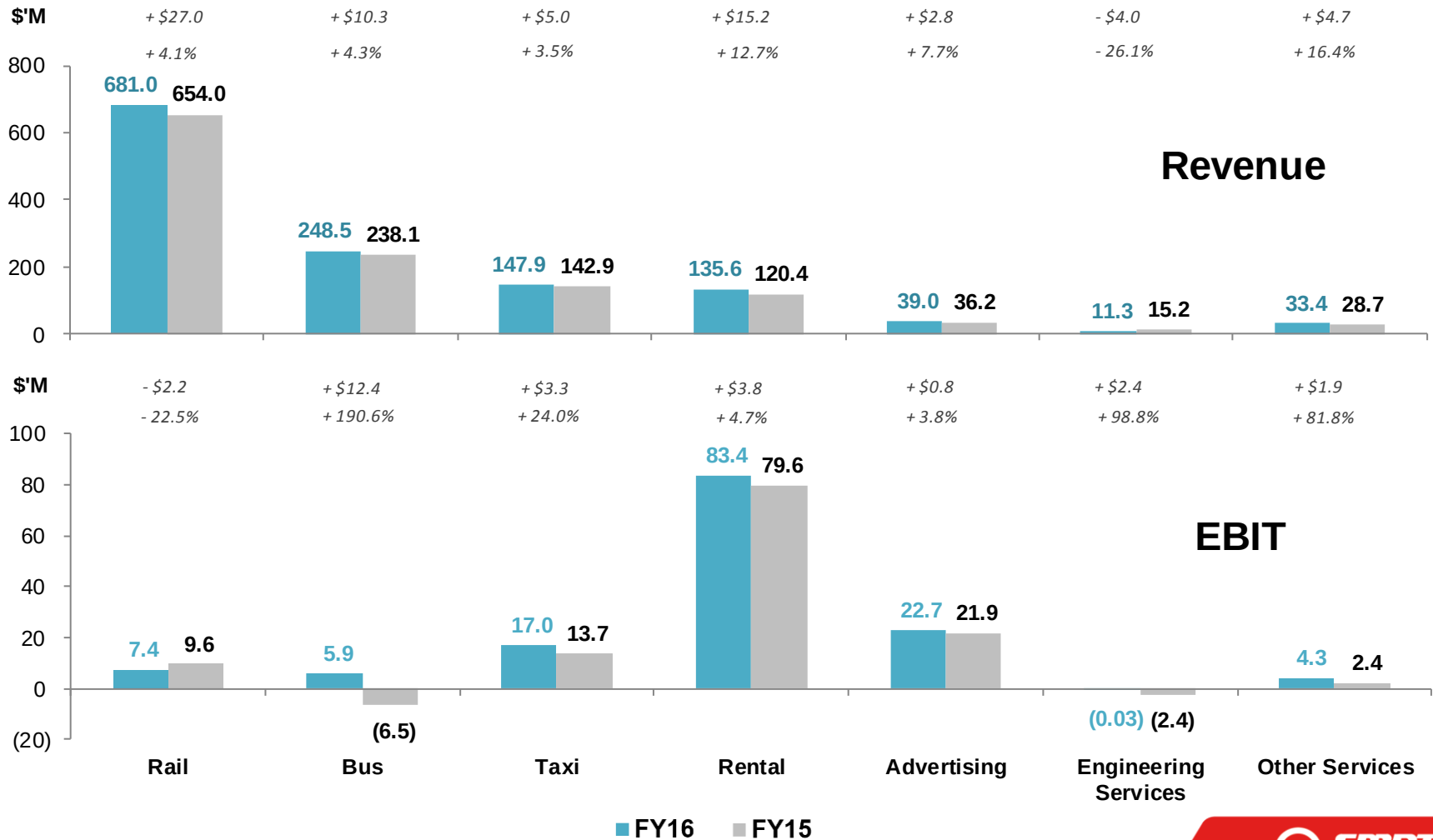


¹ Rail includes Train and LRT.

² Non-Rail includes Bus, Taxi, Rental, Advertising, Engineering Services and Other Services.

³ Figures exclude Investment holding & support services, and elimination.

Segment Results



Rail Results

(\$'M)

Revenue

Other operating income

Staff costs

Depreciation net Amortisation

Repairs and maintenance costs

Energy costs

Other operating expenses*

Total Opex

EBIT (before net lower property tax)

Net property tax refund relating to prior years

EBIT (after net lower property tax)

FY16	FY15	chg	% chg
681.0	654.0	+ \$27.0	+ 4.1%
19.5	17.5	+ \$2.1	+ 11.8%
700.5	671.5	+ \$29.1	+ 4.3%
(286.2)	(262.4)	+ \$23.8	+ 9.1%
(105.8)	(104.2)	+ \$1.6	+ 1.5%
(88.9)	(75.5)	+ \$13.4	+ 17.8%
(93.7)	(100.6)	- \$6.9	- 6.9%
(135.5)	(119.2)	+ \$16.4	+ 13.7%
(710.2)	(661.9)	+ \$48.3	+ 7.3%
(9.6)	9.6	- \$19.2	- 200.3%
17.1	-	+ \$17.1	n.m.
7.4	9.6	- \$2.2	- 22.5%

* FY16 other operating expenses are before net property tax refund relating to prior years' over assessment.



Group Results

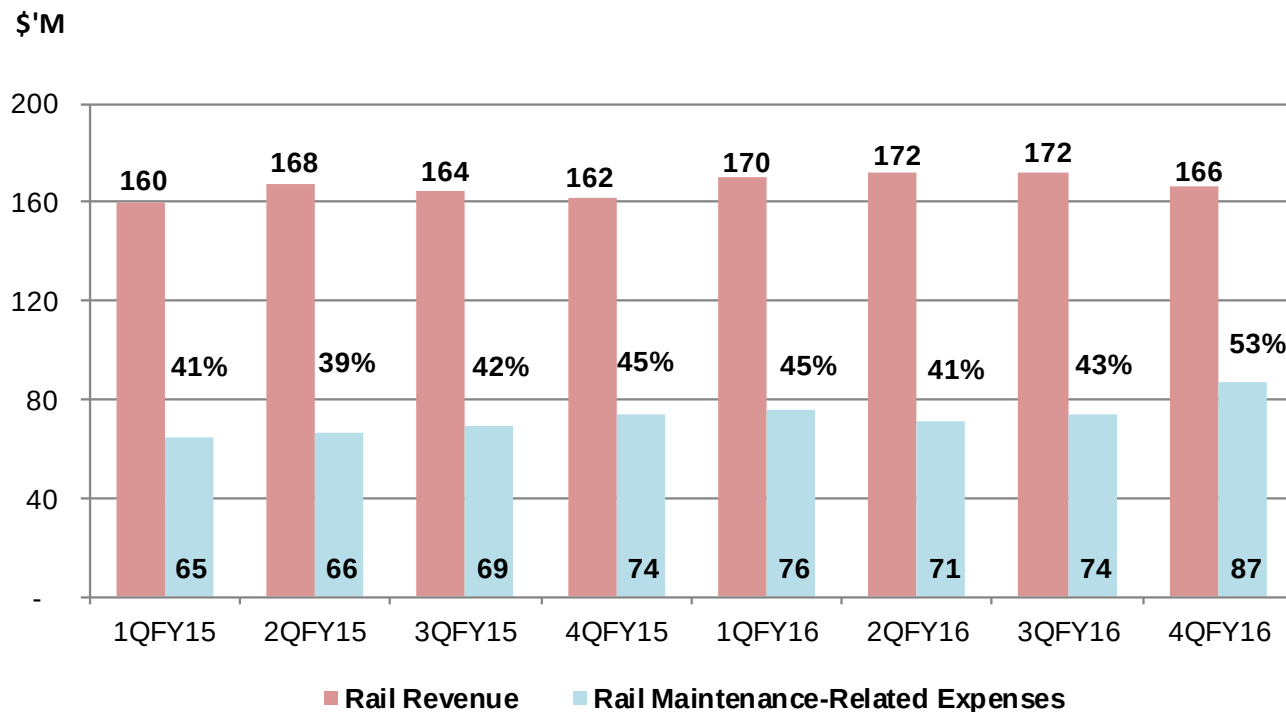
(\$'M)	FY16	FY15	chg	% chg
Revenue	1,296.6	1,235.5	+ \$61.1	+ 4.9%
Other operating income	77.3	58.0	+ \$19.4	+ 33.4%
	1,373.9	1,293.5	+ \$80.4	+ 6.2%
Staff costs	(536.0)	(483.6)	+ \$52.4	+ 10.8%
Depreciation net Amortisation	(203.7)	(193.1)	+ \$10.5	+ 5.5%
Repairs and maintenance costs	(139.9)	(121.9)	+ \$18.0	+ 14.8%
Energy costs	(132.3)	(150.7)	- \$18.3	- 12.2%
Other operating expenses	(223.7)	(223.5)	+ \$0.2	+ 0.1%
Total Opex	(1,235.5)	(1,172.7)	+ \$62.8	+ 5.4%
EBIT	138.5	120.8	+ \$17.6	+ 14.6%
PATMI	109.3	91.0	+ \$18.3	+ 20.1%

Group Operating Expenses – Maintenance Related Expenses (MRE)

(\$'M)	FY16		FY15		chg	
	\$	%	\$	%	\$	%
Staff costs	350.5	28.4%	319.2	27.2%	+ \$31.3	+ 9.8%
Depreciation net Amortisation	156.6	12.7%	146.7	12.5%	+ \$9.9	+ 6.8%
Maintenance-related expenses ¹	389.9	31.6%	346.7	29.6%	+ \$43.1	+ 12.4%
Energy costs	132.3	10.7%	150.7	12.8%	- \$18.3	- 12.2%
Other operating expenses	206.2	16.7%	209.4	17.9%	- \$3.2	- 1.5%
Total	1,235.5	100%	1,172.7	100%	+ \$62.8	+ 5.4%

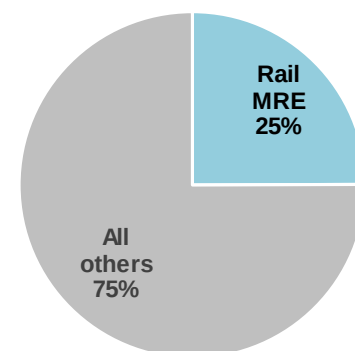
¹ Re-categorisation of operating expenses to show aggregate maintenance-related expenses for the Group.

Rail MRE



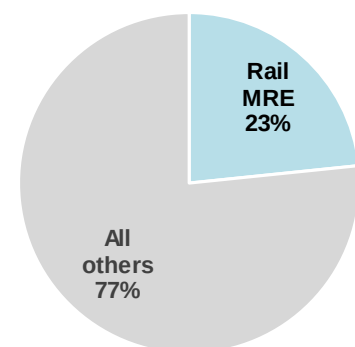
\$'M	FY15	FY16
Rail MRE	274	308
Rail Revenue	654	681
MRE as % of Rev	42%	45%

FY16



Total Group OPEX = \$1,235.5M

FY15



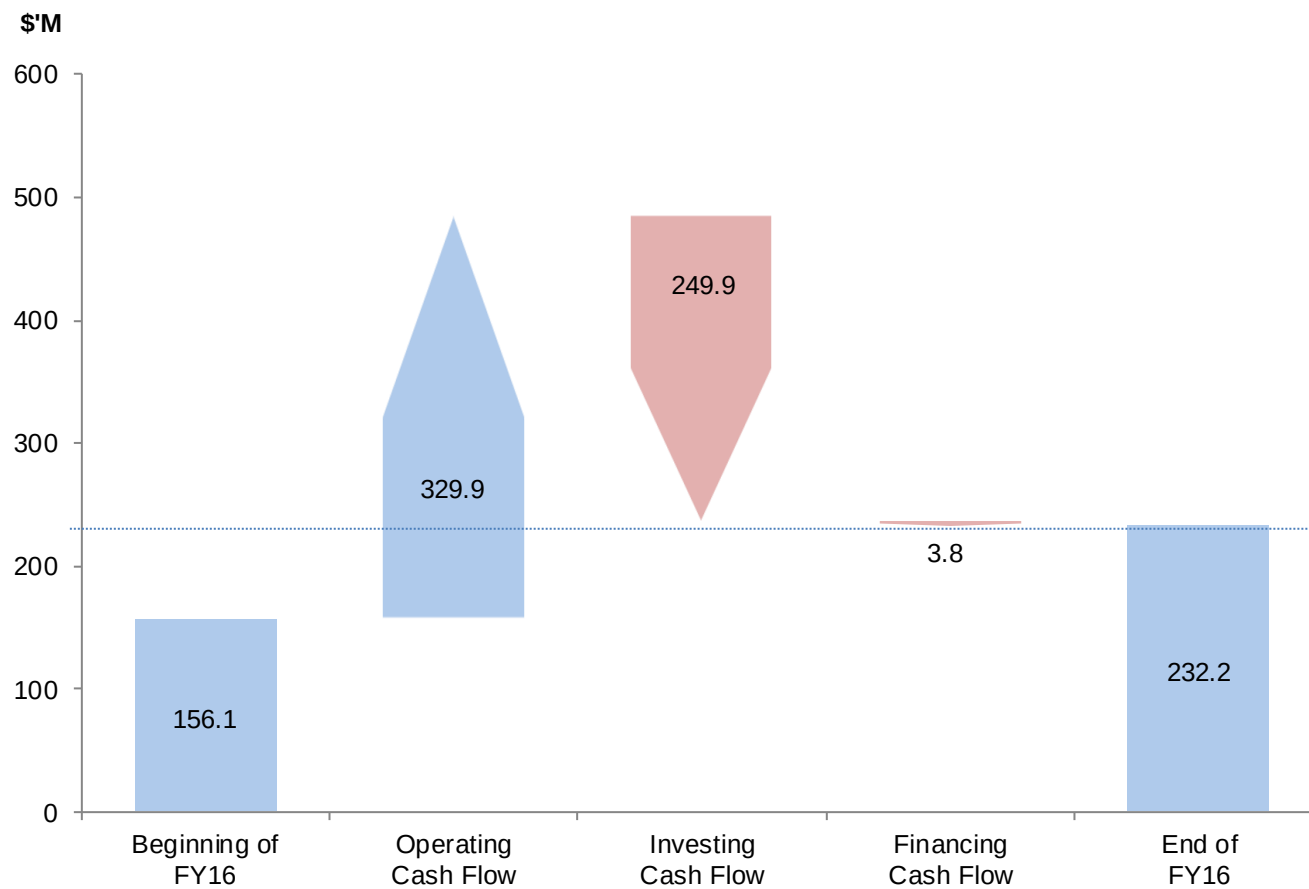
Total Group OPEX = \$1,172.7M



Balance Sheet Highlights

(\$'M)	31-Mar-16	31-Mar-15	\$ chg
Total Assets	2,720.0	2,537.2	+ \$182.8
<i>Cash and cash equivalents</i>	232.2	156.1	+ \$76.1
<i>Inventories</i>	80.1	80.9	- \$0.8
<i>Interests in associates and joint ventures</i>	52.0	55.8	- \$3.8
<i>Property, plant and equipment</i>	2,130.7	2,042.5	+ \$88.2
<i>Trade and other receivables</i>	192.2	167.7	+ \$24.5
Total Liabilities	1,805.8	1,678.3	+ \$127.4
<i>Trade and other payables</i>	667.8	568.2	+ \$99.5
<i>Total borrowings</i>	821.2	821.6	- \$0.4
Total Equity	914.2	858.9	+ \$55.4
Net Gearing (%)	64	77	- 13
NTA Per Share (cents)	59.21	55.57	+ 3.64

Cash Flow Highlights



Outlook for FY2017

The Group is fully committed to deliver higher rail reliability and service quality to meet the needs of our commuters and to comply with the heightened operating and maintenance standards set by the authorities.

As fare adjustments have not kept pace with rising operating costs over the years, the current rail operating landscape continues to be challenging. The Group is expected to incur higher operating expenses attributable to the intensive maintenance and renewal programmes of the ageing network in addition to running an enlarged train fleet as well as the commencement of the Tuas West Extension in FY2017. The Group's fare revenue will be further impacted by the 1.9% fare reduction and cannibalisation by Downtown Line 2 operations.

For better sustainability of the rail transit network, the Group has been in discussion with the authorities on the transition to a new rail financing framework (NRFF) and is making progress. Under the NRFF, SMRT Trains will become asset light to focus on the operations and maintenance of the MRT and BPLRT lines, and will pay a Licence Charge to LTA for the right to operate these lines.

The Group is expected to benefit from lower energy prices and aims to extract further cost efficiency from productivity improvements and reliability incentives in our Bus operations. We are finalising with the authorities the proposed contract terms of the Government Contracting Model which will commence in September 2016 for our existing bus services.

The Group will continue to explore growth anchored on our core strengths in public transport operations and adjacent capabilities to develop our rail engineering expertise, expand our road and rail transport operational footprint, and extend our commercial out-of-network reach.



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