



SMRT Corporation Ltd
 251 North Bridge Road
 Singapore 179102
 Tel : 65 6331 1000
 Fax : 65 6339 4229
 www.smrt.com.sg

Date of Issue: 30 July 2014

Embargo Date/Time: 30 July 2014/5.05 pm

SMRT Reports \$22.4 million Profit for 1Q FY2015

GROUP PERFORMANCE HIGHLIGHTS

Financial Highlights for First Quarter FY2015 Ended 30 June 2014 ¹			
	1QFY15	1QFY14	% Chg
Revenue (\$m)	297.1	284.8	4.3
Other Operating Income (\$m)	12.8	9.5	33.9
Total Operating Expenses (\$m)	280.6	272.1	3.1
PATMI (\$m)	22.4	16.3	36.8
EBITDA (\$m)	74.2	62.1	19.5
Basic EPS (cents)	1.5	1.1	36.7
	As at 30 Jun 14	As at 31 Mar 14	% Chg
NTA Per Share ² (cents)	53.2	51.8	2.7
Net Gearing (%)	65	60	5

Group Revenue increased 4.3% to \$297.1 million in 1Q FY2015 due to higher revenue across most segments. Operating profit increased 32.0% to \$29.3 million in 1Q FY2015 due to lower operating loss of \$1.1 million for Fare business as well as higher operating profit in Non-Fare business of \$29.9 million. PATMI increased 36.8% to \$22.4 million.

Operating expenses rose 3.1% to \$280.6 million due mainly to higher staff and depreciation expenses. Staff costs rose due to increased headcount in Train and Bus businesses to support a larger fleet and heightened operational requirements. Depreciation increased due mainly to the capitalisation of a newer taxi as well as a larger bus and train fleet, and full quarter impact of operating assets taken over from the authorities.

Total assets rose 7.3% to \$2.2 billion due mainly to purchases of property, plant and equipment related to rail operating assets, taxis and buses, higher cash and cash equivalents, and higher trade and other receivables.

The Group ended the quarter with cash balance of \$207.2 million compared to \$155.5 million at the start of the quarter. The Group generated \$34.8 million of cash flow from operating activities and \$110.6 million from financing activities mainly from the issuance of \$100 million 3.072% 10-year fixed rate notes in June 2014. The funds were partially utilised to invest in property, plant and equipment. The Group's total borrowings stood at \$740.0 million, translating to a net gearing of 65%.

¹ All figures are quoted in Singapore dollars.

² Excludes intangible assets.

Business Performance³

Revenue and Operating Profit by Business For First Quarter FY2015 Ended 30 June 2014						
	Revenue			Operating Profit		
S\$m	1QFY15	1QFY14	% Chg	1QFY15	1QFY14	% Chg
Train	157.9	153.5	2.8	5.0	2.9	73.4
LRT	2.5	2.6	(6.3)	(0.6)	(0.6)	(2.7)
Bus	58.1	53.6	8.4	(5.5)	(7.8)	29.4
Fare Subtotal	218.4	209.7	4.1	(1.1)	(5.5)	79.5
Taxi	34.4	33.0	4.5	4.2	2.3	84.5
Rental ⁴	25.8	23.5	10.0	20.0	17.7	13.4
Advertising ⁵	9.4	8.2	13.7	5.6	4.8	18.0
Engineering Services	2.8	3.7	(23.6)	0.2	0.8	(71.6)
Other Services	6.3	6.7	(6.6)	(0.1)	0.0	n.m.
Non-Fare Subtotal	78.7	75.1	4.9	29.9	25.5	17.4
Investment Holding/ Group Elimination	-	-	n.m.	0.5	2.2	(76.2)
Total	297.1	284.8	4.3	29.3	22.2	32.0

Fare Business

The Group's overall Fare business recorded a lower loss of \$1.1 million for 1Q FY2015. For **Train** operations, operating profit increased by 73.4% due mainly to higher revenue with growth in ridership and average fare, and lower electricity costs partially offset by higher depreciation, staff costs, repairs and maintenance expenditure, and the \$1.6 million penalty imposed by LTA. **LRT's** losses remained at \$0.6 million for 1Q FY2015. **Bus** operations registered a lower operating loss of \$5.5 million due mainly to higher revenue partially offset by higher staff and diesel costs.

Non-Fare Business

Profit from the Non-Fare business increased by 17.4% due largely to improving operating profit for Taxi, Rental and Advertising. **Taxi** profits increased 84.5% to \$4.2 million due to higher rental contribution from a newer fleet, and lower diesel tax as a result of a smaller diesel fleet. **Rental** profit increased by 13.4% to \$20.0 million, due mainly to higher rental renewal rates. **Advertising** profit increased by 18.0% to \$5.6 million, due mainly to increased advertising on trains and stations.

³ Details of the operating metrics are shown in the Annex on page 4.

⁴ Rental – the operating profit comprises EBIT attributed to Transit-oriented Rental business, and Other Property and Retail Management businesses.

⁵ Advertising – the operating profit comprises EBIT attributed to Transit-oriented Advertising business, and Other Media and Advertising businesses.

OUTLOOK AND PROSPECTS

The Group Fare business environment will continue to be challenging as a result of heightened operational requirements. The effective fare adjustment of 1.6% which took effect from 6 April 2014 will partially mitigate the increase in operating costs. The Group will also strive to achieve further gains from its ongoing productivity improvement efforts.

The prospects for the Group are expected to improve with the impending regulatory changes in the land transportation industry.

The Group will continue to benefit from growth in its Non-Fare businesses with emphasis on building on its rail engineering capability, seizing out-of-network opportunities in Singapore, and international projects.

SMRT's President and Group Chief Executive Officer, Mr Desmond Kuek, said: *"We are continuing our discussions with the authorities for a timely transition to a new rail financing framework. In the meantime, progress has been made with service and reliability improvement efforts on our trains and buses. We are optimistic about growth prospects in our Non-Fare businesses, and the strengthening of our local rail engineering capabilities."*

-- End --

For enquiries, please contact:

Media:
Shorbani Roy
Director
Corporate Communications
Tel : +65 6331 1152
Email: shorbaniroy@smrt.com.sg

Analysts/Investors:
Ng Suk Kiun
Director
Finance
Tel : +65 6331 1225
Email: investors_r@smrt.com.sg

Website: <http://www.smrt.com.sg>

Enclosures:

- 1) Unaudited Financial Statements for First Quarter Financial Year 2015 ended 30 June 2014*
- 2) Presentation for Teleconference Briefing*

ANNEX**OPERATING METRICS**

	1QFY15	1QFY14	4QFY14	1Q15 vs 1Q14 (%)	1Q15 vs 4Q14 (%)
<u>Train</u>					
Total Ridership ('000)	178,088	174,786	175,283	1.9	1.6
Average Daily Ridership ('000)	1,957	1,921	1,948	1.9	0.5
Average No. of Passengers/Car Operated	63.7	65.2	63.8	(2.4)	(0.2)
Average Peak Period Passenger Load/Car (No. of passengers) ¹	206.6	215.8	212.4	(4.3)	(2.8)
Average Fare (cents)	88.7	87.9	87.6	0.9	1.2
<u>LRT</u>					
Total Ridership ('000)	4,554	4,844	4,684	(6.0)	(2.8)
Average Daily Ridership ('000)	50.0	53.2	52.1	(6.0)	(3.9)
Average No. of Passengers/Train Operated	25.9	27.4	26.5	(5.4)	(2.1)
Average Fare (cents)	53.9	54.2	52.9	(0.6)	1.8
<u>Bus</u>					
Total Ridership ('000)	89,232	85,568	89,130	4.3	0.1
Average Daily Ridership ('000)	980.6	940.3	990.3	4.3	(1.0)
Load Factor ² (%)	26.0	26.6	26.3	(0.6)	(0.3)
Average Fare (cents)	64.5	62.0	60.9	4.1	5.9
<u>Taxi</u>					
Average Holding Fleet	3,228	3,292	3,389	(1.9)	(4.8)
<u>Rental</u> ³					
Average Lettable Space (sqm)	36,961	36,714	36,799	0.7	0.4
No. of Shops/Units (as of end-period)	785	769	772	2.1	1.7
Average Occupancy Rate (%)	98.9	98.9	97.5	(0.0)	1.4

¹ An average of estimated maximum half-hour pax load per car during peak hours for selected stations along North-South East-West Line and Circle Line.

² As different vehicle types have different capacities, the average occupancy rate of buses is expressed as load factor.

³ Figures relate to spaces at MRT stations only.