

# 2QFY2016 Financial Results

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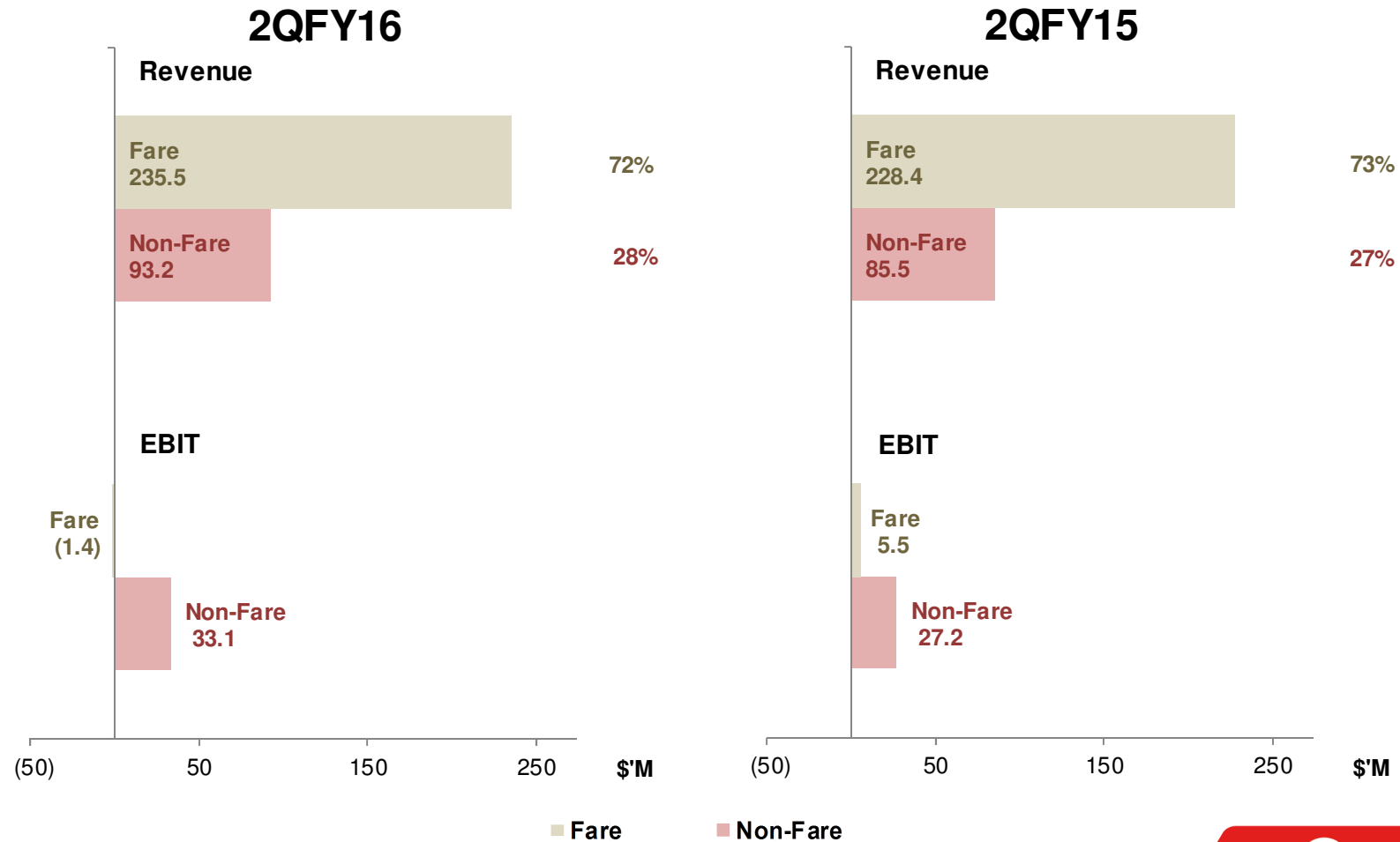
28 October 2015

# Financial Highlights

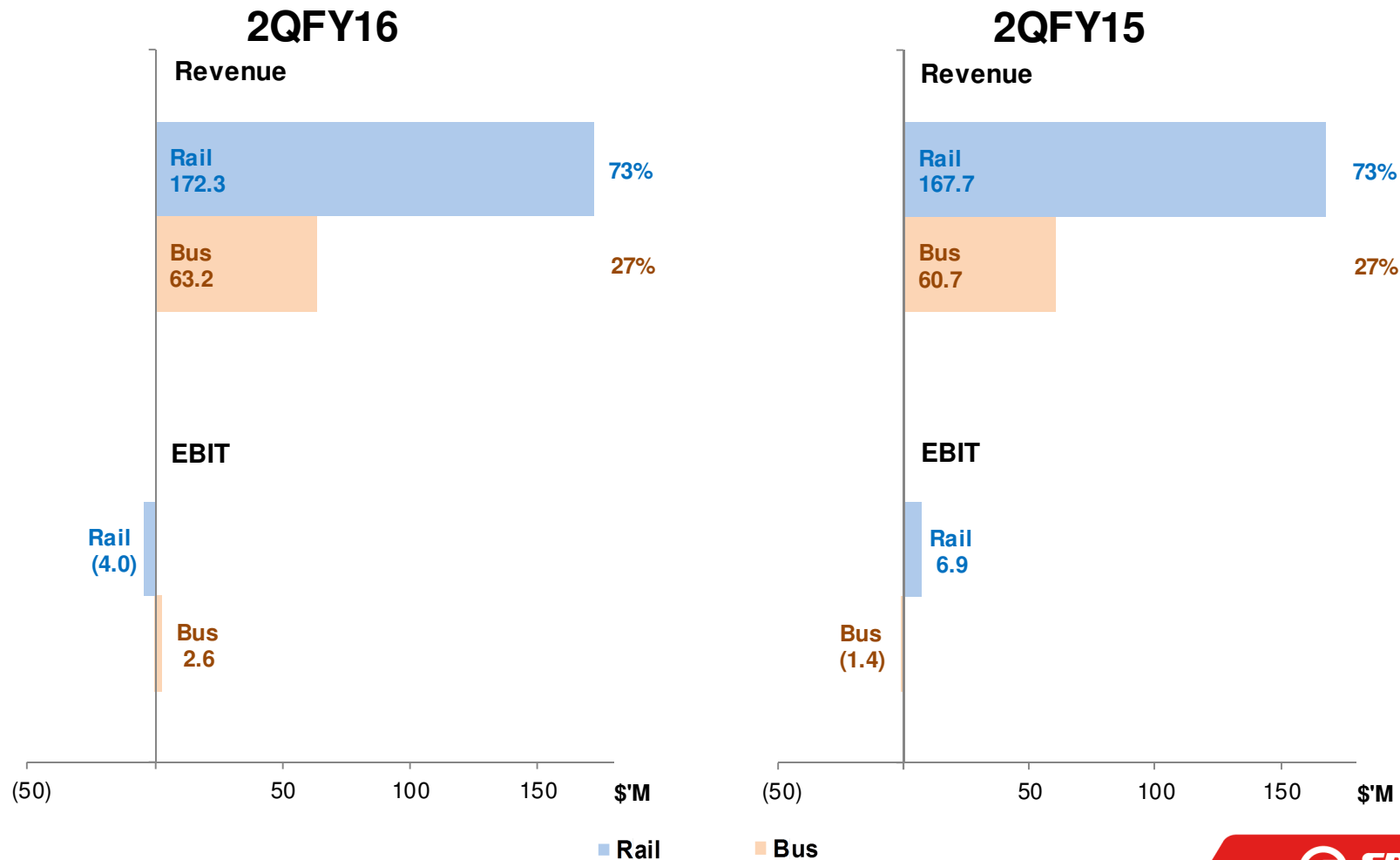
| (\$'M)              | 2QFY16 | 2QFY15 | chg         | % chg  | 1HFY16 | 1HFY15 | chg         | % chg  |
|---------------------|--------|--------|-------------|--------|--------|--------|-------------|--------|
| Revenue             | 328.8  | 314.0  | + \$14.8    | + 4.7% | 649.1  | 611.1  | + \$37.9    | + 6.2% |
| Operating Expenses  | 313.6  | 292.9  | + \$20.7    | + 7.1% | 622.5  | 573.5  | + \$49.0    | + 8.5% |
| Operating Profit    | 32.5   | 33.3   | - \$0.8     | - 2.4% | 60.2   | 62.6   | - \$2.4     | - 3.9% |
| PATMI <sup>1</sup>  | 25.7   | 25.3   | + \$0.5     | + 1.9% | 45.9   | 47.6   | - \$1.8     | - 3.7% |
| EBITDA              | 83.7   | 80.2   | + \$3.4     | + 4.3% | 162.4  | 154.4  | + \$8.0     | + 5.2% |
| Basic EPS (cents)   | 1.69   | 1.66   | + 0.03 cent | + 1.8% | 3.01   | 3.13   | - 0.12 cent | - 3.8% |
| Interim DPS (cents) |        |        |             |        | 1.5    | 1.5    |             |        |

<sup>1</sup> PATMI for 2QFY2016 improved 1.9% to \$25.7 million with contribution from the Group's 49% stake in its associate - Shenzhen Zona Transportation Group Co., Ltd., which registered an improved performance.

# Fare vs Non-Fare Business



# Fare Business – Rail & Bus



# Fare Business – Rail & Bus

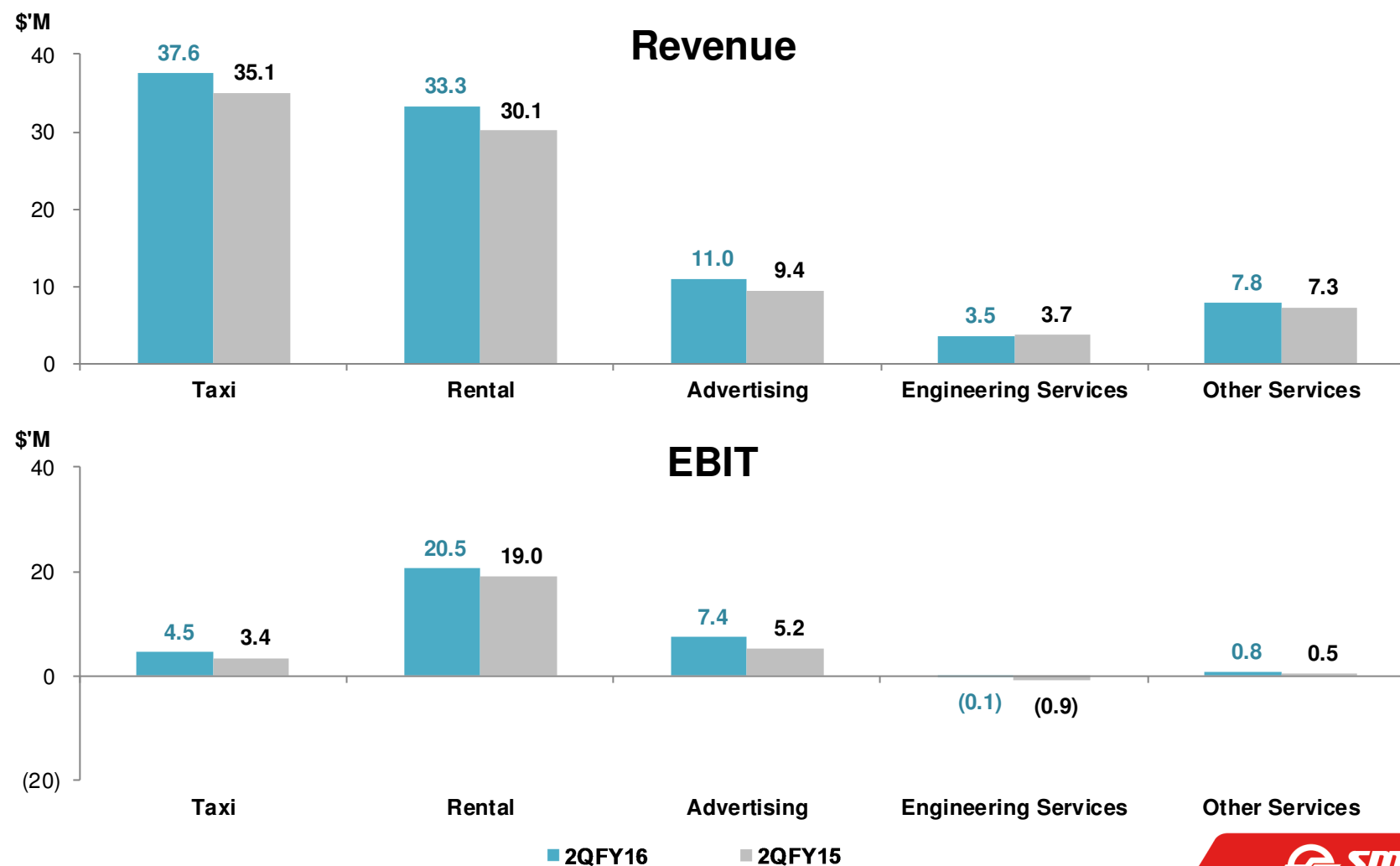
| (\$'M)         | 2QFY16       | 2QFY15       | \$ chg         | % chg           |
|----------------|--------------|--------------|----------------|-----------------|
| <b>Revenue</b> |              |              |                |                 |
| <b>Rail</b>    | <b>172.3</b> | <b>167.7</b> | <b>+\$4.5</b>  | <b>+ 2.7%</b>   |
| <i>Train</i>   | <i>169.6</i> | <i>165.2</i> | <i>+\$4.4</i>  | <i>+ 2.6%</i>   |
| <i>LRT</i>     | <i>2.7</i>   | <i>2.5</i>   | <i>+\$0.2</i>  | <i>+ 7.5%</i>   |
| <b>Bus</b>     | <b>63.2</b>  | <b>60.7</b>  | <b>+\$2.5</b>  | <b>+ 4.1%</b>   |
| <b>Total</b>   | <b>235.5</b> | <b>228.4</b> | <b>+\$7.1</b>  | <b>+ 3.1%</b>   |
| <b>EBIT</b>    |              |              |                |                 |
| <b>Rail</b>    | <b>(4.0)</b> | <b>6.9</b>   | <b>-\$10.9</b> | <b>- 157.9%</b> |
| <i>Train</i>   | <i>(2.8)</i> | <i>7.6</i>   | <i>-\$10.4</i> | <i>- 137.0%</i> |
| <i>LRT</i>     | <i>(1.2)</i> | <i>(0.7)</i> | <i>-\$0.5</i>  | <i>- 68.2%</i>  |
| <b>Bus</b>     | <b>2.6</b>   | <b>(1.4)</b> | <b>+\$4.0</b>  | <b>+ 279.2%</b> |
| <b>Total</b>   | <b>(1.4)</b> | <b>5.5</b>   | <b>-\$6.9</b>  | <b>- 126.2%</b> |

- Fare Business recorded an operating loss of \$1.4 million in 2QFY16 due mainly to operating losses in Train and LRT operations, while Bus operations registered a profit.

| Total Ridership (m) | 2QFY16 | 2QFY15 | % chg  |
|---------------------|--------|--------|--------|
| Train               | 189.6  | 187.0  | + 1.4% |
| LRT                 | 5.0    | 4.7    | + 7.1% |
| Bus                 | 96.5   | 94.6   | + 1.9% |

| Average Fare (cents) | 2QFY16 | 2QFY15 | % chg  |
|----------------------|--------|--------|--------|
| Train                | 89.4   | 88.4   | + 1.2% |
| LRT                  | 53.5   | 53.3   | + 0.4% |
| Bus                  | 64.9   | 63.6   | + 2.1% |

# Non-Fare Business



# Non-Fare Business

| (\$'M)               | 2QFY16      | 2QFY15      | \$ chg        | % chg          |
|----------------------|-------------|-------------|---------------|----------------|
| <b>Revenue</b>       |             |             |               |                |
| Taxi                 | 37.6        | 35.1        | +\$2.5        | + 7.1%         |
| Rental               | 33.3        | 30.1        | +\$3.2        | + 10.7%        |
| <i>Rail</i>          | 26.3        | 25.8        | +\$0.6        | + 2.2%         |
| <i>Others</i>        | 7.0         | 4.4         | +\$2.7        | + 61.2%        |
| Advertising          | 11.0        | 9.4         | +\$1.6        | + 17.3%        |
| Engineering Services | 3.5         | 3.7         | -\$0.2        | - 4.2%         |
| Other Services       | 7.8         | 7.3         | +\$0.5        | + 7.2%         |
| <b>Total</b>         | <b>93.2</b> | <b>85.5</b> | <b>+\$7.7</b> | <b>+ 9.0%</b>  |
| <b>EBIT</b>          |             |             |               |                |
| Taxi                 | 4.5         | 3.4         | +\$1.1        | + 31.8%        |
| Rental               | 20.5        | 19.0        | +\$1.5        | + 7.8%         |
| Advertising          | 7.4         | 5.2         | +\$2.2        | + 42.7%        |
| Engineering Services | (0.1)       | (0.9)       | +\$0.8        | + 86.6%        |
| Other Services       | 0.8         | 0.5         | +\$0.3        | + 68.2%        |
| <b>Total</b>         | <b>33.1</b> | <b>27.2</b> | <b>+\$5.9</b> | <b>+ 21.7%</b> |

- Non-Fare Business recorded an operating profit of \$33.1 million in 2QFY16 as the Taxi, Rental and Advertising segments continued with steady performance.

| Average Fleet | 2QFY16 | 2QFY15 | % chg  |
|---------------|--------|--------|--------|
| Taxi          | 3,545  | 3,366  | + 5.3% |

| Average Lettable Space (sqm) <sup>1</sup> | 2QFY16 | 2QFY15 | % chg  |
|-------------------------------------------|--------|--------|--------|
| Rental                                    | 37,235 | 37,423 | - 0.5% |

<sup>1</sup> Figures relate to spaces at MRT stations only.

# Operating Expenses

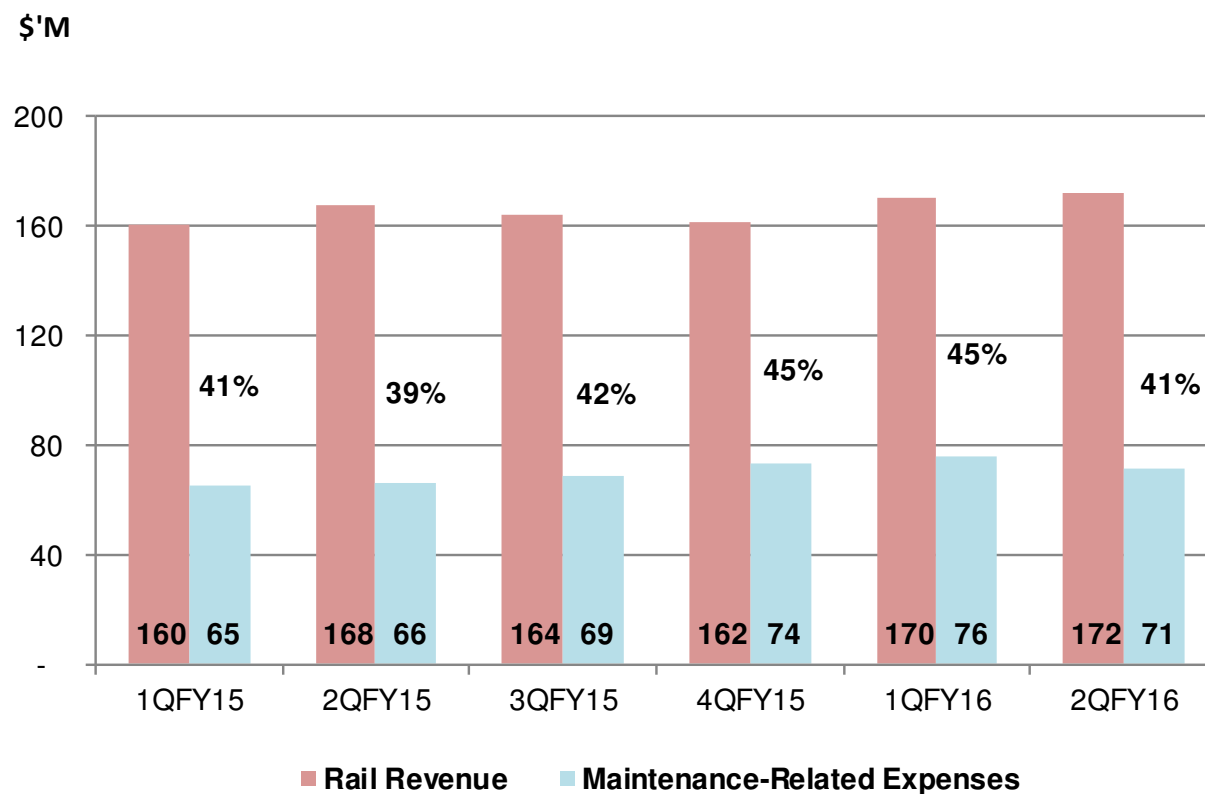
| (\$'M)                           | 2QFY16 |       | 2QFY15 |       | chg      |         |
|----------------------------------|--------|-------|--------|-------|----------|---------|
|                                  | \$     | %     | \$     | %     | \$       | %       |
| Staff costs                      | 131.3  | 41.9% | 123.0  | 42.0% | + \$8.3  | + 6.7%  |
| Depreciation net<br>Amortisation | 51.1   | 16.3% | 46.9   | 16.0% | + \$4.2  | + 9.0%  |
| R&M                              | 31.2   | 9.9%  | 29.9   | 10.2% | + \$1.3  | + 4.3%  |
| Energy costs                     | 36.0   | 11.5% | 40.0   | 13.7% | - \$3.9  | - 9.8%  |
| Other operating<br>expenses      | 64.0   | 20.4% | 53.1   | 18.1% | + \$10.8 | + 20.4% |
| Total                            | 313.6  | 100%  | 292.9  | 100%  | + \$20.7 | + 7.1%  |

# Operating Expenses – Re-categorisation

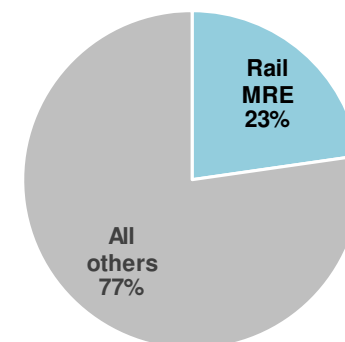
| (\$'M)                                        | 2QFY16 |       | 2QFY15 |       | chg      |         |
|-----------------------------------------------|--------|-------|--------|-------|----------|---------|
|                                               | \$     | %     | \$     | %     | \$       | %       |
| Staff costs                                   | 86.4   | 27.6% | 82.6   | 28.2% | + \$3.8  | + 4.6%  |
| Depreciation net<br>Amortisation              | 39.3   | 12.5% | 35.4   | 12.1% | + \$3.9  | + 11.0% |
| Maintenance-<br>related expenses <sup>1</sup> | 91.6   | 29.2% | 84.5   | 28.9% | + \$7.1  | + 8.4%  |
| Energy costs                                  | 36.0   | 11.5% | 40.0   | 13.6% | - \$3.9  | - 9.8%  |
| Other operating<br>expenses                   | 60.3   | 19.2% | 50.4   | 17.2% | + \$9.9  | + 19.6% |
| Total                                         | 313.6  | 100%  | 292.9  | 100%  | + \$20.7 | + 7.1%  |

<sup>1</sup> Re-categorisation of operating expenses to show aggregate maintenance-related expenses.

# Rail Maintenance-Related Expenses

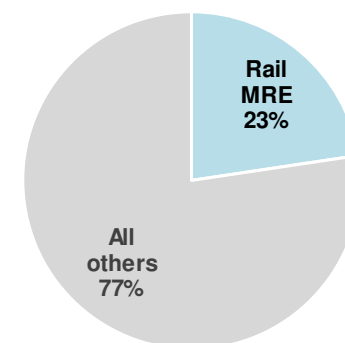


2QFY16



Total Group OPEX = \$313.6M

2QFY15

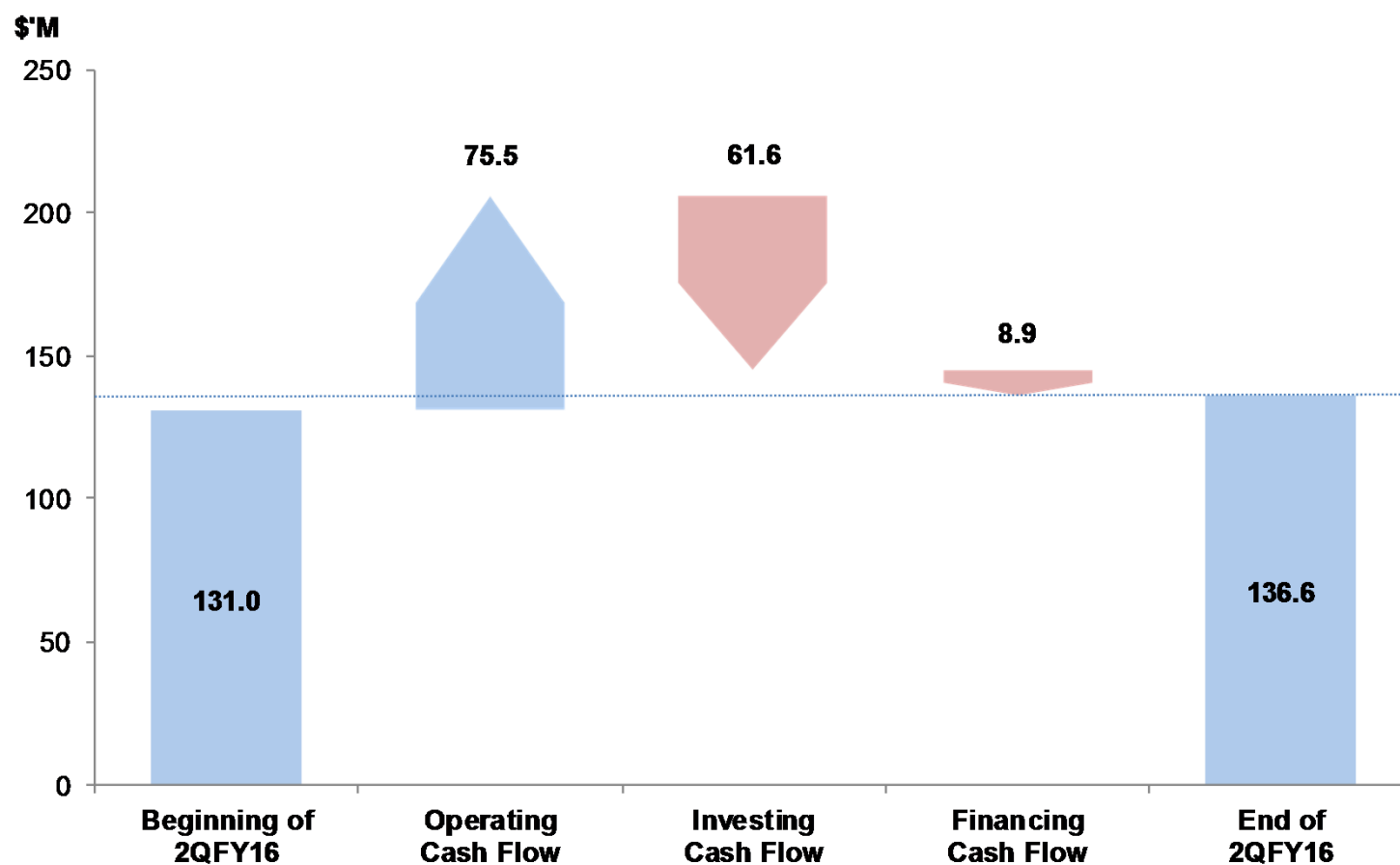


Total Group OPEX = \$292.9M

# Balance Sheet Highlights

| (\$'M)                                            | 30-Sep-15      | 31-Mar-15      | \$ chg              |
|---------------------------------------------------|----------------|----------------|---------------------|
| <b>Total Assets</b>                               | <b>2,578.5</b> | <b>2,537.2</b> | <b>+\$41.3</b>      |
| <i>Cash and Cash Equivalents</i>                  | 136.6          | 156.1          | - \$19.5            |
| <i>Inventories</i>                                | 83.2           | 80.9           | +\$2.3              |
| <i>Interests in associates and joint ventures</i> | 55.9           | 55.8           | +\$0.2              |
| <i>PPE</i>                                        | 2,073.6        | 2,042.5        | +\$31.2             |
| <i>Trade &amp; other receivables</i>              | 195.6          | 167.7          | +\$27.9             |
| <b>Total Liabilities</b>                          | <b>1,703.3</b> | <b>1,678.3</b> | <b>+\$25.0</b>      |
| <i>Trade &amp; other payables</i>                 | 570.0          | 568.2          | +\$1.7              |
| <i>Total Borrowings</i>                           | 836.0          | 821.6          | +\$14.4             |
| <b>Total Equity</b>                               | <b>875.2</b>   | <b>858.9</b>   | <b>+\$16.3</b>      |
| <b>Net Gearing (%)</b>                            | <b>80</b>      | <b>77</b>      | <b>+ 3%</b>         |
| <b>NTA Per Share (cents)</b>                      | <b>56.58</b>   | <b>55.57</b>   | <b>+ 1.01 cents</b> |

# Cash Flow Highlights



# Outlook

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The Group is expected to face continuing challenges in the rail operating landscape. Operating expenses will continue to increase due to intensive maintenance and renewal programmes of the ageing network. That notwithstanding, the Group is fully committed in its efforts to further strengthen performance in rail reliability, maintainability, availability, capacity and safety.

The Group is making progress in its discussions with the authorities on the transition to a new rail financing framework.

Bus operations results is expected to improve compared to FY2015 due mainly to higher revenue and lower energy prices. We are in discussion with the authorities on the contract terms for the remaining bus services beyond the license expiry in August 2016.

The Group will continue to explore growth anchored on the strengths of its core public transport operations and adjacent capabilities, locally and overseas.



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