


COMFORTDELGRO CORPORATION LIMITED

Company Registration Number : 200300002K

Second Quarter 2014 Financial Statements and Dividend Announcement

The Board of Directors announces the unaudited results of the Group for the Second Quarter and Half Year ended 30 June 2014.

1 GROUP INCOME STATEMENT

	Group					
	2nd Qtr	2nd Qtr	Incr /	1st Half	1st Half	Incr /
	2014	2013	(Decr)	2014	2013	(Decr)
	\$'m	\$'m	%	\$'m	\$'m	%
Revenue	1,016.3	908.4	11.9	1,967.1	1,779.2	10.6
Staff costs	333.0	283.8	17.3	645.5	560.3	15.2
Contract services	138.0	125.8	9.7	263.3	241.7	8.9
Depreciation and amortisation	87.9	83.6	5.1	172.7	166.9	3.5
Fuel and electricity costs	84.5	67.3	25.6	163.5	132.2	23.7
Materials and consumables	61.5	60.2	2.2	122.5	122.9	(0.3)
Repairs and maintenance	59.9	58.0	3.3	118.7	111.9	6.1
Insurance premiums and accident claims	32.1	29.7	8.1	64.8	59.9	8.2
Road tax	31.7	31.9	(0.6)	63.2	63.4	(0.3)
Premises costs	20.3	16.0	26.9	39.7	32.6	21.8
Taxi drivers' benefits	14.3	13.0	10.0	28.9	25.9	11.6
Utilities and communication costs	5.8	5.6	3.6	11.6	11.5	0.9
Vehicle leasing charges	6.0	1.4	N.M.	11.2	2.7	N.M.
Advertising production and promotion costs	3.5	3.5	-	6.5	6.7	(3.0)
Other operating expenses	17.9	16.0	11.9	33.6	32.1	4.7
Total operating expenses	896.4	795.8	12.6	1,745.7	1,570.7	11.1
Operating profit	119.9	112.6	6.5	221.4	208.5	6.2
Net income from investments	2.5	2.1	19.0	5.1	4.8	6.3
Finance costs	(5.9)	(7.0)	(15.7)	(11.8)	(14.1)	(16.3)
Share of profit in associates	0.5	0.5	-	1.8	1.8	-
Profit before taxation	117.0	108.2	8.1	216.5	201.0	7.7
Taxation	(25.3)	(23.2)	9.1	(47.4)	(43.7)	8.5
Profit after taxation	91.7	85.0	7.9	169.1	157.3	7.5
Attributable to :						
Shareholders of the Company	75.7	68.9	9.9	139.0	126.6	9.8
Non-controlling interests	16.0	16.1	(0.6)	30.1	30.7	(2.0)
	91.7	85.0	7.9	169.1	157.3	7.5

Certain comparative figures have been reclassified to conform to current period's presentation.

N.M. Not meaningful

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	\$'m	\$'m	\$'m	\$'m
ASSETS				
Current assets				
Short-term deposits and bank balances	744.1	830.6	343.2	402.0
Available-for-sale investments	-	5.0	-	-
Trade receivables	100.1	111.3	-	-
Other receivables and prepayments	189.0	191.8	2.3	1.9
Grant receivables	23.7	22.1	-	-
Due from subsidiaries	-	-	4.1	6.5
Finance lease receivables	5.8	8.3	-	-
Inventories	71.4	70.6	-	-
Total current assets	1,134.1	1,239.7	349.6	410.4
Non-current assets				
Subsidiaries	-	-	1,121.5	1,037.5
Associates	6.9	6.2	0.1	0.1
Available-for-sale investments	67.0	64.3	48.4	46.1
Other receivables and prepayments	18.4	27.9	-	-
Grant receivables	274.6	269.3	-	-
Due from subsidiaries	-	-	22.3	21.4
Finance lease receivables	2.1	4.4	-	-
Vehicles, premises and equipment	2,867.8	2,777.4	11.9	12.7
Taxi licences and bus operating rights	411.2	413.3	-	-
Goodwill	280.0	273.8	-	-
Deferred tax assets	10.5	8.4	-	-
Total non-current assets	3,938.5	3,845.0	1,204.2	1,117.8
Total assets	5,072.6	5,084.7	1,553.8	1,528.2
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	179.8	218.4	-	-
Trade and other payables	642.8	649.3	45.9	37.7
Trade payables for buses	25.8	15.7	-	-
Deferred grants	17.6	17.7	-	-
Due to subsidiaries	-	-	430.6	476.3
Fuel price equalisation account	20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	86.3	84.5	-	-
Income tax payable	59.2	56.9	1.8	1.4
Total current liabilities	1,031.5	1,062.5	478.3	515.4
Non-current liabilities				
Borrowings	516.2	589.5	-	-
Deferred grants	298.9	288.5	-	-
Other liabilities	121.9	125.6	0.1	0.1
Fuel price equalisation account	20.0	20.0	-	-
Deferred tax liabilities	206.7	204.1	2.8	2.8
Total non-current liabilities	1,163.7	1,227.7	2.9	2.9
Total liabilities	2,195.2	2,290.2	481.2	518.3
Capital, reserves and non-controlling interests				
Share capital	637.7	622.7	637.7	622.7
Other reserves	8.8	10.5	(3.4)	(4.2)
Foreign currency translation reserve	(28.7)	(35.3)	-	-
Accumulated profits	1,609.5	1,556.8	438.3	391.4
Equity attributable to shareholders of the Company	2,227.3	2,154.7	1,072.6	1,009.9
Non-controlling interests	650.1	639.8	-	-
Total equity	2,877.4	2,794.5	1,072.6	1,009.9
Total liabilities and equity	5,072.6	5,084.7	1,553.8	1,528.2

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	<u>30 Jun 2014</u>	<u>31 Dec 2013</u>
	\$ 'm	\$ 'm
Secured		
Amount repayable in one year or less, or on demand	117.2	68.2
Amount repayable after one year	244.1	318.0
	<u>361.3</u>	<u>386.2</u>
Unsecured		
Amount repayable in one year or less, or on demand	62.6	150.2
Amount repayable after one year	272.1	271.5
	<u>334.7</u>	<u>421.7</u>
Total		
Amount repayable in one year or less, or on demand	179.8	218.4
Amount repayable after one year	516.2	589.5
	<u>696.0</u>	<u>807.9</u>

Details of any collateral

Details of the total secured borrowings of \$361.3m are as follows:

- a \$157.9m relates to financing of vehicles under hire purchase arrangements; and
- b \$203.4m relates to borrowings of subsidiaries secured by vehicles.

4 GROUP CASH FLOW STATEMENT

	Group		Group	
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2014	2013	2014	2013
	\$'m	\$'m	\$'m	\$'m
Operating activities:				
Profit before taxation	117.0	108.2	216.5	201.0
Adjustments for:				
Depreciation and amortisation	87.9	83.6	172.7	166.9
Finance costs	5.9	7.0	11.8	14.1
Interest income	(2.5)	(2.3)	(5.1)	(4.7)
Dividend income	(2.0)	(2.7)	(2.0)	(2.7)
Share-based payment expense	-	0.3	-	0.6
Net gain on disposal of vehicles	(1.1)	(0.1)	(2.6)	(0.4)
Share of profit in associates	(0.5)	(0.5)	(1.8)	(1.8)
Others	2.9	4.4	3.3	5.4
Operating cash flows before movements in working capital	207.6	197.9	392.8	378.4
Changes in working capital	(23.2)	(85.0)	24.2	(101.9)
Cash generated from operations	184.4	112.9	417.0	276.5
Income tax paid	(35.6)	(33.7)	(46.1)	(43.1)
Net cash from operating activities	148.8	79.2	370.9	233.4
Investing activities:				
Purchases of vehicles, premises and equipment	(130.8)	(143.6)	(255.6)	(248.0)
Less: Proceeds from disposal of vehicles	8.0	8.7	15.4	11.7
Cash payment on purchases of vehicles, premises and equipment	(122.8)	(134.9)	(240.2)	(236.3)
Proceeds from disposal of available-for-sale investments	5.0	-	5.0	-
Payment for taxi licences	(0.6)	-	(1.0)	-
Increase in investment in a subsidiary	-	(1.4)	-	(1.4)
Divestment of a subsidiary, net of cash [Note (a)]	3.5	-	3.5	-
Interest received	2.5	2.1	4.8	4.5
Dividend received from an associate	-	-	1.5	1.2
Dividend received from available-for-sale investments	2.0	2.7	2.0	2.7
Net cash used in investing activities	(110.4)	(131.5)	(224.4)	(229.3)
Financing activities:				
New loans raised	64.6	189.9	161.1	218.5
Repayment of borrowings	(191.1)	(32.9)	(284.5)	(50.3)
Dividends paid to shareholders of the Company	(85.3)	(74.1)	(85.3)	(74.1)
Dividends paid to non-controlling shareholders of subsidiaries	(13.4)	(5.1)	(23.5)	(16.8)
Proceeds from exercise of share options of the Company	8.4	12.0	13.7	25.4
Proceeds from exercise of share options of subsidiaries	0.6	0.5	0.9	0.6
Interest paid	(5.7)	(6.7)	(11.8)	(14.0)
Proceeds from unclaimed dividends	0.3	-	0.3	0.2
Net cash (used in) from financing activities	(221.6)	83.6	(229.1)	89.5
Net effect of exchange rate changes in consolidating subsidiaries	0.8	(1.8)	(3.9)	(0.8)
Net (decrease) increase in cash and cash equivalents	(182.4)	29.5	(86.5)	92.8
Cash and cash equivalents at beginning of period	926.5	757.9	830.6	694.6
Cash and cash equivalents at end of period	744.1	787.4	744.1	787.4

Note (a):

Summary of the effects of divestment of a subsidiary:

	Group		Group	
	2nd Qtr 2014	2nd Qtr 2013	1st Half 2014	1st Half 2013
	\$'m	\$'m	\$'m	\$'m
Net assets (liabilities) on divestment:				
Current assets	0.5	-	0.5	-
Non-current assets	4.4	-	4.4	-
Current liabilities	(0.3)	-	(0.3)	-
Net assets divested	4.6	-	4.6	-
Non-controlling interests	(0.6)	-	(0.6)	-
Proceeds from divestment	4.0	-	4.0	-
Less : cash on divestment of a subsidiary	(0.5)	-	(0.5)	-
Cash flow on divestment, net of cash	3.5	-	3.5	-

5 GROUP COMPREHENSIVE INCOME STATEMENT

	<u>Group</u>		<u>Group</u>	
	<u>2nd Qtr</u> <u>2014</u> <u>\$'m</u>	<u>2nd Qtr</u> <u>2013</u> <u>\$'m</u>	<u>1st Half</u> <u>2014</u> <u>\$'m</u>	<u>1st Half</u> <u>2013</u> <u>\$'m</u>
Profit after taxation	91.7	85.0	169.1	157.3
<i>Items that may be reclassified subsequently to profit and loss</i>				
Fair value adjustment on cash flow hedges	1.4	(4.3)	(4.4)	(3.2)
Fair value adjustment on available-for-sale investments	0.4	(12.9)	2.4	(9.4)
Exchange differences on translation of foreign operations	<u>7.8</u>	<u>(40.3)</u>	<u>10.8</u>	<u>(30.5)</u>
Other comprehensive income for the period	9.6	(57.5)	8.8	(43.1)
Total comprehensive income for the period	<u>101.3</u>	<u>27.5</u>	<u>177.9</u>	<u>114.2</u>
Attributable to:				
Shareholders of the Company	83.5	30.9	144.1	97.8
Non-controlling interests	<u>17.8</u>	<u>(3.4)</u>	<u>33.8</u>	<u>16.4</u>
	<u>101.3</u>	<u>27.5</u>	<u>177.9</u>	<u>114.2</u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the 2nd quarter ended 30 June 2014:

	Group						
	Attributable to shareholders of the Company				Non-controlling interests	Total equity	
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits			Total
\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	
Balance at 1 January 2014	622.7	10.5	(35.3)	1,556.8	2,154.7	639.8	2,794.5
Total comprehensive income for the period							
Profit for the period	-	-	-	63.3	63.3	14.1	77.4
Other comprehensive income for the period	-	(3.2)	0.5	-	(2.7)	1.9	(0.8)
Total	-	(3.2)	0.5	63.3	60.6	16.0	76.6
Transactions recognised directly in equity							
Exercise of share options	5.8	(0.5)	-	-	5.3	-	5.3
Other reserves	-	0.3	-	(0.2)	0.1	(9.9)	(9.8)
Total	5.8	(0.2)	-	(0.2)	5.4	(9.9)	(4.5)
Balance at 31 March 2014	628.5	7.1	(34.8)	1,619.9	2,220.7	645.9	2,866.6
Total comprehensive income for the period							
Profit for the period	-	-	-	75.7	75.7	16.0	91.7
Other comprehensive income for the period	-	1.7	6.1	-	7.8	1.8	9.6
Total	-	1.7	6.1	75.7	83.5	17.8	101.3
Transactions recognised directly in equity							
Exercise of share options	9.2	(0.8)	-	-	8.4	-	8.4
Payment of dividends	-	-	-	(85.3)	(85.3)	-	(85.3)
Other reserves	-	0.8	-	(0.8)	-	(13.6)	(13.6)
Total	9.2	-	-	(86.1)	(76.9)	(13.6)	(90.5)
Balance at 30 June 2014	637.7	8.8	(28.7)	1,609.5	2,227.3	650.1	2,877.4

Consolidated Statement of Changes in Equity for the 2nd quarter ended 30 June 2013:

	Group						
	Attributable to shareholders of the Company				Non- controlling interests	Total equity	
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits			Total
\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	
Balance at 1 January 2013	585.1	14.1	(25.5)	1,434.5	2,008.2	628.8	2,637.0
Total comprehensive income for the period							
Profit for the period	-	-	-	57.7	57.7	14.6	72.3
Other comprehensive income for the period	-	4.5	4.7	-	9.2	5.2	14.4
Total	-	4.5	4.7	57.7	66.9	19.8	86.7
Transactions recognised directly in equity							
Recognition of share-based payments	-	0.3	-	-	0.3	-	0.3
Exercise of share options	14.9	(1.5)	-	-	13.4	-	13.4
Other reserves	-	-	-	0.1	0.1	(12.2)	(12.1)
Total	14.9	(1.2)	-	0.1	13.8	(12.2)	1.6
Balance at 31 March 2013	600.0	17.4	(20.8)	1,492.3	2,088.9	636.4	2,725.3
Total comprehensive income for the period							
Profit for the period	-	-	-	68.9	68.9	16.1	85.0
Other comprehensive income for the period	-	(16.4)	(21.6)	-	(38.0)	(19.5)	(57.5)
Total	-	(16.4)	(21.6)	68.9	30.9	(3.4)	27.5
Transactions recognised directly in equity							
Recognition of share-based payments	-	0.3	-	-	0.3	-	0.3
Exercise of share options	13.1	(1.1)	-	-	12.0	-	12.0
Payment of dividends	-	-	-	(74.1)	(74.1)	-	(74.1)
Other reserves	-	0.4	-	(1.6)	(1.2)	(4.9)	(6.1)
Total	13.1	(0.4)	-	(75.7)	(63.0)	(4.9)	(67.9)
Balance at 30 June 2013	613.1	0.6	(42.4)	1,485.5	2,056.8	628.1	2,684.9

Statement of Changes in Equity of the Company for the 2nd quarter ended 30 June 2014:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2014	622.7	(4.2)	391.4	1,009.9
Total comprehensive income for the period				
Profit for the period	-	-	25.3	25.3
Other comprehensive income for the period	-	1.9	-	1.9
Total	-	1.9	25.3	27.2
Transactions recognised directly in equity				
Exercise of share options	5.8	(0.5)	-	5.3
Other reserves	-	(0.1)	0.1	-
Total	5.8	(0.6)	0.1	5.3
Balance at 31 March 2014	628.5	(2.9)	416.8	1,042.4
Total comprehensive income for the period				
Profit for the period	-	-	106.5	106.5
Other comprehensive income for the period	-	0.4	-	0.4
Total	-	0.4	106.5	106.9
Transactions recognised directly in equity				
Exercise of share options	9.2	(0.8)	-	8.4
Payment of dividends	-	-	(85.3)	(85.3)
Other reserves	-	(0.1)	0.3	0.2
Total	9.2	(0.9)	(85.0)	(76.7)
Balance at 30 June 2014	637.7	(3.4)	438.3	1,072.6

Statement of Changes in Equity of the Company for the 2nd quarter ended 30 June 2013:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2013	585.1	8.5	377.2	970.8
Total comprehensive income for the period				
Profit for the period	-	-	7.6	7.6
Other comprehensive income for the period	-	3.1	-	3.1
Total	-	3.1	7.6	10.7
Transactions recognised directly in equity				
Recognition of share-based payments	-	0.3	-	0.3
Exercise of share options	14.9	(1.5)	-	13.4
Other reserves	-	(0.2)	0.3	0.1
Total	14.9	(1.4)	0.3	13.8
Balance at 31 March 2013	600.0	10.2	385.1	995.3
Total comprehensive income for the period				
Profit for the period	-	-	84.8	84.8
Other comprehensive income for the period	-	(11.4)	-	(11.4)
Total	-	(11.4)	84.8	73.4
Transactions recognised directly in equity				
Recognition of share-based payments	-	0.3	-	0.3
Exercise of share options	13.1	(1.1)	-	12.0
Payment of dividends	-	-	(74.1)	(74.1)
Other reserves	-	(0.1)	0.1	-
Total	13.1	(0.9)	(74.0)	(61.8)
Balance at 30 June 2013	613.1	(2.1)	395.9	1,006.9

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 2nd quarter ended 30 June 2014, the Company issued 5,384,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 30 June 2014, the total number of issued shares was 2,134,498,663 (31 December 2013: 2,125,506,663).

Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

The ComfortDelGro Scheme was not renewed following its expiry on 17 February 2013.

As at 30 June 2014, options to subscribe for 35.7 million ordinary shares (30 June 2013: 52.2 million ordinary shares) remained outstanding under the ComfortDelGro Scheme.

As at 30 June 2014, the Company does not hold any treasury shares.

8 AUDIT

The financial statements have not been audited or reviewed.

9 AUDITORS' REPORT

Not applicable.

10 ACCOUNTING POLICIES

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2013.

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014. The adoption of these new/revised FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

12 GROUP EARNINGS PER ORDINARY SHARE AND GROUP EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)

Earnings per ordinary share

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2014	2013	2014	2013
(i) Based on weighted average number of ordinary shares in issue - cents	3.55	3.26	6.53	6.00
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	3.53	3.24	6.50	5.97

EBITDA

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2014	2013	2014	2013
(i) EBITDA (\$'m)	207.8	196.2	394.1	375.4
(ii) EBITDA margin (%)	20.4	21.6	20.0	21.1

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	Net asset value per ordinary share based on issued share capital - cents	104.35	101.37	50.25

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group Revenue of \$1,016.3m for 2Q14 was \$107.9m or 11.9% higher compared to the \$908.4m for 2Q13 with growth coming from all business segments. Of the increase in revenue, \$10.4m came from the positive foreign currency translation.

Group Operating Expenses of \$896.4m for 2Q14 were \$100.6m or 12.6% higher compared to the \$795.8m for 2Q13. These were mainly from higher staff costs, higher fuel and electricity costs, higher payments for contract services, higher materials and consumables, higher depreciation and higher repairs and maintenance. While operating expenses actually increased by \$90.7m, the unfavourable foreign currency translation added to the increase by \$9.9m.

Consequently Group Operating Profit of \$119.9m for 2Q14 was \$7.3m or 6.5% higher compared to the \$112.6m for 2Q13.

Net income from investments of \$2.5m for 2Q14 was \$0.4m or 19.0% higher than the \$2.1m for 2Q13. Finance costs decreased by \$1.1m or 15.7% to \$5.9m for 2Q14 from \$7.0m for 2Q13 due to the decrease in interest expense in Australia with the partial repayment of borrowings.

Group Profit Before Tax of \$117.0m for 2Q14 was \$8.8m or 8.1% higher compared to the \$108.2m for 2Q13.

Taxation for the Group of \$25.3m for 2Q14 was \$2.1m or 9.1% higher than the \$23.2m for 2Q13. Taxation for 2Q14 was 21.6% of Group Profit Before Tax compared to 21.4% for 2Q13.

Group Profit attributable to Shareholders of the Company of \$75.7m for 2Q14 increased by \$6.8m or 9.9% compared to the \$68.9m for 2Q13.

Group Profit attributable to non-controlling interests decreased by \$0.1m or 0.6% to \$16.0m for 2Q14 compared to the \$16.1m for 2Q13.

Revenue from Overseas for 2Q14 was 41.2% of Group Revenue compared to 38.9% for 2Q13. Operating profit from Overseas for the quarter increased to 50.7% of Group Operating Profit compared to 46.8% in 2Q13.

A segmental breakdown by **business** is provided under item 18.

Revenue from the Group's **Bus Business** of \$517.2m for 2Q14 was \$80.3m or 18.4% higher than the \$436.9m for 2Q13. The increase came from the UK Bus Business with \$87.9m and the Singapore Bus Business with \$17.8m offset by the decrease from the Australia Bus Business with \$19.6m and the China Bus Business with \$5.8m.

Revenue from the Singapore Bus Business of \$191.9m for 2Q14 was \$17.8m or 10.2% higher than the \$174.1m for 2Q13 due to increases in average daily ridership, average fare and other operating income.

Revenue from the UK Bus Business of \$224.1m for 2Q14 was \$87.9m or 64.5% higher than the \$136.2m for 2Q13. The actual increase in revenue of \$73.5m came mainly from Metroline West and service enhancements at Metroline Travel. The stronger £ contributed \$14.4m to the increase.

Revenue from the Australia Bus Business of \$101.2m for 2Q14 was \$19.6m or 16.2% lower compared to the \$120.8m for 2Q13. The actual decrease in revenue of \$13.5m was worsened by the negative currency translation of \$6.1m from the weaker A\$. The actual decrease in revenue of \$13.5m was due to the loss of Regions 1 and 3 offset by the contribution from Easttrans and an increase in other services.

Revenue from the China Bus Business was \$5.8m lower compared to 2Q13 as there was no revenue recorded for 2Q14 following the divestment of Shenyang ComfortDelGro Anyun Bus last year.

Revenue from the Overseas Bus Business for 2Q14 was 62.9% of Group Bus Revenue compared to 60.2% for 2Q13 while operating profit for 2Q14 was 90.4% of Group Bus Operating Profit compared to 91.6% in 2Q13.

Revenue from the Group's **Taxi Business** of \$320.1m for 2Q14 was \$20.0m or 6.7% higher compared to the \$300.1m for 2Q13.

Revenue from the Singapore Taxi Business of \$238.7m for 2Q14 was \$16.4m or 7.4% higher compared to the \$222.3m for 2Q13 due to higher rentals from the replacement of taxis, a larger operating fleet and a higher volume of cashless transactions.

Revenue from the UK Taxi Business of \$34.1m for 2Q14 was \$3.6m or 11.8% higher than the \$30.5m for 2Q13 due mainly to the favourable currency translation of the stronger £.

Revenue from the Australia Taxi Business of \$5.1m for 2Q14 was \$1.1m or 17.7% lower compared to the \$6.2m for 2Q13 due mainly to the weaker A\$.

Revenue from the China Taxi Business of \$40.5m for 2Q14 was \$0.9m or 2.3% higher than the \$39.6m for 2Q13 coming mainly from higher rental rates following the replacement of taxis.

Revenue from the Vietnam Taxi Business of \$1.7m for 2Q14 was \$0.2m or 13.3% higher than the \$1.5m for 2Q13.

Revenue from the Overseas Taxi Business for 2Q14 was 25.4% of Group Taxi Revenue compared to 25.9% for 2Q13 while operating profit for 2Q14 was 33.5% of Group Taxi Operating Profit compared to 34.4% for 2Q13.

Revenue of \$7.1m for 2Q14 from the **Bus Station Business** at Guangzhou was the same as that for 2Q13.

Revenue from the **Rail Business** for 2Q14 of \$48.8m was \$8.4m or 20.8% higher than the \$40.4m for 2Q13 due to the commencement of the Downtown Line (DTL) 1 operations and increases in average daily ridership and average fare. Average daily ridership for the North-East Line grew by 6.8% to 502K passenger trips and that for the two Light Rail Transit systems rose by 10.2% to 84K passenger trips as compared to 2Q13. Average daily ridership for DTL1 was 58K passenger trips.

Revenue from the Group's **Automotive Engineering Services Business** of \$108.0m for 2Q14 was \$1.9m or 1.8% higher than the \$106.1m for 2Q13.

Revenue from the Group's **Inspection and Testing Services Business** of \$28.2m for 2Q14 was \$0.6m or 2.2% higher compared to the \$27.6m for 2Q13.

Revenue from the Group's **Driving Centre Business** of \$10.0m for 2Q14 was \$0.6m or 6.4% higher than the \$9.4m for 2Q13 with increases of \$0.4m from ComfortDelGro Driving Centre and \$0.2m from Chengdu ComfortDelGro Qingyang Driving School.

Revenue from the Group's **Car Rental and Leasing Business** of \$8.8m for 2Q14 was \$0.3m or 3.5% higher than the \$8.5m for 2Q13.

Statement of Financial Position

The financial position of the Group as at 30 June 2014 remained strong. Total Equity increased by \$82.9m from \$2,794.5m as at 31 December 2013 to \$2,877.4m as at 30 June 2014 due to profits generated in 1H14 partially offset by the payment of dividends.

Total Assets decreased by \$12.1m from \$5,084.7m as at 31 December 2013 to \$5,072.6m as at 30 June 2014 due to a decrease in current assets by \$105.6m offset by an increase in non-current assets by \$93.5m. The decrease in current assets was due mainly to a

decrease in short-term deposits and bank balances following the payment of dividends and partial repayment of borrowings. The increase in non-current assets was due mainly to the purchase of new buses and taxis.

Total Liabilities decreased by \$95.0m from \$2,290.2m as at 31 December 2013 to \$2,195.2m as at 30 June 2014 due mainly to the reduction in borrowings.

Cash Flow

The Group recorded a net cash outflow of \$182.4m for 2Q14. As at 30 June 2014, the Group had short-term deposits and bank balances of \$744.1m. After accounting for the borrowings of \$696.0m, the Group had a net cash position of \$48.1m. The Group's gross gearing ratio was 24.2% as at 30 June 2014 compared to 28.9% as at 31 December 2013.

15 ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

Revenue from the Singapore Bus Business is expected to increase with an expected increase in ridership and fare. Revenue from the UK Bus Business is expected to increase with the contribution from a newly acquired route and continuing service enhancements. Revenue from the Bus Business in Australia is expected to be lower.

Revenue from the Rail Business is expected to be higher from the operation of DTL1.

Revenue from the Bus Station Business in Guangzhou is expected to be maintained.

Revenue from the Taxi Business in Singapore and China are expected to increase due to taxi replacements while revenue from Australia, the UK and Vietnam Taxi Businesses are expected to be maintained.

Revenue from the Automotive Engineering Services Business is expected to increase from more engineering services.

Revenue from the Driving Centre Business is expected to increase from higher enrolments in China.

Revenue from the Inspection and Testing Services Business is expected to be maintained.

Revenue from the Car Rental and Leasing Business is expected to be maintained.

Cost pressures will continue to be felt throughout the Group.

17 DIVIDEND

(a) Current Financial Period Reported On

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 3.75 cents (2013: 3.00 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	3.75 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	3.00 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The interim dividend will be paid on 28 August 2014.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 22 August 2014 for the purposes of determining Shareholders' entitlements to the interim dividend.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 21 August 2014 will be registered to determine Shareholders' entitlements to the interim dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 21 August 2014 will be entitled to the interim dividend.

Half year ended 30 June 2014	<u>Bus</u>	<u>Bus</u>	<u>Rail</u>	<u>Taxi</u>	<u>Automotive</u>	<u>Inspection</u>	<u>Car Rental</u>	<u>Driving</u>	<u>Elimination</u>	<u>Total</u>
	\$'m	Station	\$'m	\$'m	Services	& Testing	& Leasing	Centre	\$'m	\$'m
		\$'m			\$'m	\$'m	\$'m	\$'m		
Revenue										
External sales	983.2	15.4	96.0	625.9	154.9	54.7	17.5	19.5	-	1,967.1
Inter-segment sales	1.5	-	-	-	60.6	1.4	0.1	0.2	(63.8)	-
TOTAL	984.7	15.4	96.0	625.9	215.5	56.1	17.6	19.7	(63.8)	1,967.1
RESULT										
Operating profit	86.5	6.9	4.7	73.8	21.7	18.8	4.2	4.8	-	221.4
Net income from investments										5.1
Finance costs										(11.8)
Share of profit in associates										1.8
Profit before taxation										216.5
Taxation										(47.4)
Profit after taxation										169.1
Non-controlling interests										(30.1)
Profit attributable to shareholders of the Company										139.0
Half year ended 30 June 2013										
	<u>Bus</u>	<u>Bus</u>	<u>Rail</u>	<u>Taxi</u>	<u>Automotive</u>	<u>Inspection</u>	<u>Car Rental</u>	<u>Driving</u>	<u>Elimination</u>	<u>Total</u>
	\$'m	Station	\$'m	\$'m	Services	& Testing	& Leasing	Centre	\$'m	\$'m
		\$'m			\$'m	\$'m	\$'m	\$'m		
Revenue										
External sales	849.6	14.7	80.2	585.9	159.7	52.9	17.4	18.8	-	1,779.2
Inter-segment sales	1.1	-	-	-	51.3	1.5	0.1	0.1	(54.1)	-
TOTAL	850.7	14.7	80.2	585.9	211.0	54.4	17.5	18.9	(54.1)	1,779.2
RESULT										
Operating profit	72.1	6.5	4.8	72.5	25.8	17.9	4.6	4.3	-	208.5
Net income from investments										4.8
Finance costs										(14.1)
Share of profit in associates										1.8
Profit before taxation										201.0
Taxation										(43.7)
Profit after taxation										157.3
Non-controlling interests										(30.7)
Profit attributable to shareholders of the Company										126.6

Geographical segmental information for 2nd quarter ended 30 June 2014

	Revenue				Non-current assets*		Additions to non-current assets*	
	2nd Qtr 2014	2nd Qtr 2013	1st Half 2014	1st Half 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Singapore	597.2	555.4	1,171.3	1,093.6	1,879.8	1,699.7	215.1	163.6
United Kingdom/ Ireland	258.2	166.7	480.4	313.2	460.0	323.2	12.2	41.0
Australia	106.3	127.0	204.2	251.7	844.3	832.8	10.2	26.7
China	51.9	56.8	105.7	115.7	355.5	404.7	16.5	13.3
Vietnam	1.7	1.5	3.4	2.9	12.9	10.9	1.7	2.6
Malaysia	1.0	1.0	2.1	2.1	6.5	6.1	0.9	0.8
Total	1,016.3	908.4	1,967.1	1,779.2	3,559.0	3,277.4	256.6	248.0

* Comprising vehicles, premises, equipment, taxi licences, bus operating rights and goodwill.

19 BREAKDOWN OF REVENUE

Not applicable.

20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

Not applicable.

21 INTERESTED PERSON TRANSACTIONS

There were no interested person transactions of or over \$100,000 in value entered into during the financial period under review.

The Group does not have any Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

22 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the second quarter 2014 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Kua Hong Pak
Managing Director/ Group Chief Executive Officer

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy
Company Secretary

13 August 2014