

**Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2011**

The Board of Directors announces the audited results for the year ended 31 December 2011.

**1 INCOME STATEMENT**

(i)

	<u>Full Year 2011</u>	<u>Full Year 2010</u>	<u>Incr/ (Decr)</u>
	\$'000	\$'000	%
<b>Revenue</b>	751,106	720,880	4.2
Staff costs	(305,525)	(292,780)	4.4
Repairs and maintenance	(90,499)	(89,703)	0.9
Fuel and electricity costs	(171,397)	(134,091)	27.8
Premises costs	(28,442)	(32,720)	(13.1)
Depreciation expense	(47,692)	(47,375)	0.7
Other operating expenses	(61,862)	(59,492)	4.0
Total operating expenses	<u>(705,417)</u>	<u>(656,161)</u>	<u>7.5</u>
<b>Operating profit</b>	45,689	64,719	(29.4)
Net income from investments	521	565	(7.8)
Finance costs	(1,701)	(400)	325.3
Share of profit in associate	-	144	NM
<b>Profit before taxation</b>	44,509	65,028	(31.6)
Taxation	(7,833)	(10,750)	(27.1)
<b>Profit attributable to Shareholders</b>	<u>36,676</u>	<u>54,278</u>	<u>(32.4)</u>

NM - Not meaningful

(ii) Included in the determination of net profit is the following item :-

	<u>Full Year 2011</u>	<u>Full Year 2010</u>	<u>Incr/ (Decr)</u>
	\$'000	\$'000	%
<u>After crediting :-</u>			
Net gain on disposal of vehicles and equipment	2,165	587	268.8

## 2 STATEMENT OF FINANCIAL POSITION

	<b>31 Dec 2011 \$'000</b>	<b>31 Dec 2010 \$'000</b>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Short-term deposits and bank balances	5,540	67,063
Trade receivables	10,385	9,398
Other receivables and prepayments	29,428	44,944
Inventories	30,347	29,144
Total current assets	<u>75,700</u>	<u>150,549</u>
<b>Non-current assets</b>		
Available-for-sale investments	11,105	10,790
Vehicles, premises and equipment	657,977	535,832
Total non-current assets	<u>669,082</u>	<u>546,622</u>
<b>Total assets</b>	<u><u>744,782</u></u>	<u><u>697,171</u></u>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b>Current liabilities</b>		
Borrowings	28,500	-
Trade and other payables	122,831	129,200
Trade payables for buses	20,099	16,588
Deposits received	2,286	1,658
Insurance premiums payable and provision for accident claims	32,938	34,418
Fuel price equalisation account	19,992	19,992
Income tax payable	1,462	320
Total current liabilities	<u>228,108</u>	<u>202,176</u>
<b>Non-current liabilities</b>		
Borrowings	100,000	100,000
Deposits received	2,984	3,067
Deferred tax liabilities	49,445	42,831
Provision for service benefits and long service awards	12,622	12,538
Fuel price equalisation account	19,992	19,992
Total non-current liabilities	<u>185,043</u>	<u>178,428</u>
<b>Capital and reserves</b>		
Share capital	93,875	92,973
Capital reserves	2,024	1,867
Accumulated profits	235,732	221,727
Total equity	<u>331,631</u>	<u>316,567</u>
<b>Total liabilities and equity</b>	<u><u>744,782</u></u>	<u><u>697,171</u></u>

## 3 AGGREGATE AMOUNT OF BORROWINGS

	<b>31 Dec 2011 \$'000</b>	<b>31 Dec 2010 \$'000</b>
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	28,500	-
Amount repayable after one year	100,000	100,000
	<u>128,500</u>	<u>100,000</u>

### Details of any collateral

Not applicable.

#### 4 CASH FLOW STATEMENT

	<b>Full Year 2011 \$'000</b>	<b>Full Year 2010 \$'000</b>
<b>Operating activities</b>		
Profit before taxation	44,509	65,028
Adjustments for:		
Depreciation expense	47,692	47,375
Fuel price equalisation account	-	5,909
Finance costs	1,701	400
Share-based payment expense	-	182
Gain on disposal of available-for-sale investments	-	(30)
Net gain on disposal of vehicles and equipment	(2,165)	(587)
Interest income	(521)	(535)
Share of profit in associate	-	(144)
Operating cash flows before movements in working capital	91,216	117,598
Changes in working capital	9,591	(45,597)
Cash generated from operations	100,807	72,001
Income tax paid	(77)	(998)
Net cash from operating activities	100,730	71,003
<b>Investing activities</b>		
Interest received	544	664
Proceeds from disposal of:		
Vehicles and equipment	2,188	1,123
Available-for-sale investments	-	5,030
Proceed from divestment of associate	-	1,731
Purchase of vehicles, premises and equipment	(169,608)	(91,982)
Net cash used in investing activities	(166,876)	(83,434)
<b>Financing activities</b>		
Short term loans raised	28,500	-
Proceeds from share issue	829	610
Proceeds from long-term loans	-	100,000
Interest paid	(1,950)	(99)
Dividends paid	(22,834)	(27,088)
Others	78	14
Net cash from financing activities	4,623	73,437
Net (decrease) increase in cash and cash equivalents	(61,523)	61,006
Cash and cash equivalents at beginning of year	67,063	6,057
<b>Cash and cash equivalents at end of year</b>	<b>5,540</b>	<b>67,063</b>

## 5 COMPREHENSIVE INCOME STATEMENT

	Full Year 2011 \$'000	Full Year 2010 \$'000	Incr/ (Decr) %
<b>Profit attributable to Shareholders</b>	36,676	54,278	(32.4)
Fair value gain on available- for-sale investments	315	470	(33.0)
<b>Total comprehensive income attributable to Shareholders</b>	36,991	54,748	(32.4)

## 6 STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31 December 2011:

	Share capital \$'000	Capital reserves \$'000	Accumulated profits \$'000	Total equity \$'000
<b>Balance at 1 January 2010</b>	92,310	1,391	194,400	288,101
Total comprehensive income for the year	-	470	54,278	54,748
Recognition of share-based payments	-	182	-	182
Exercise of share options	663	(53)	-	610
Payment of dividends	-	-	(27,088)	(27,088)
Others	-	(123)	137	14
<b>Balance at 31 December 2010</b>	92,973	1,867	221,727	316,567
Total comprehensive income for the year	-	315	36,676	36,991
Exercise of share options	902	(73)	-	829
Payment of dividends	-	-	(22,834)	(22,834)
Others	-	(85)	163	78
<b>Balance at 31 December 2011</b>	93,875	2,024	235,732	331,631

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

Since 30 September 2011, no new ordinary shares were issued by the Company.

As at 31 December 2011, the total number of issued shares was 308,629,766 (31 December 2010: 308,106,016).

### Outstanding Shares - SBS Transit Share Option Scheme

As at 31 December 2011, there were unexercised options for 8,723,750 (31 December 2010: 10,124,000) of unissued ordinary shares under the SBS Transit Share Option Scheme.

## 8 AUDIT

The financial statements have been audited in accordance with the Singapore Standards on Auditing.

## 9 AUDITORS' REPORT

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SBS TRANSIT LTD

#### *Report on the Financial Statements*

We have audited the financial statements of SBS Transit Ltd (the "Company") which comprise the statement of financial position of the Company as at 31 December 2011, and the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2011 and of the results, changes in equity and cash flows of the Company for the year ended on that date.

#### *Report on Other Legal and Regulatory Requirements*

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP  
Public Accountants and  
Certified Public Accountants

Jeremy Toh Yew Kuan  
Partner

Singapore  
10 February 2012

## 10 ACCOUNTING POLICIES

The Company 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 2010.

In this current financial year, the Company has adopted all the new and revised Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2011. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

## 11 CHANGES IN ACCOUNTING POLICIES AND METHODS OF COMPUTATION

Not applicable.

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

### Earnings per ordinary share

	<u>Full Year 2011</u>	<u>Full Year 2010</u>
Earnings per ordinary share for the year based on profit attributable to Shareholders:-		
(i) Based on the weighted average number of ordinary shares in issue	11.89 cents	17.63 cents
(ii) On a fully diluted basis	11.87 cents	17.61 cents

### EBITDA

	<u>Full Year 2011</u>	<u>Full Year 2010</u>
(i) EBITDA (\$'000)	93,381	112,094
(ii) EBITDA margin (%)	12.4	15.5

## 13 NET ASSET VALUE PER ORDINARY SHARE

	<u>31 Dec 2011</u>	<u>31 Dec 2010</u>
Net asset value per ordinary share based on issued share capital at the end of the year	107 cents	103 cents

## 14 REVIEW OF PERFORMANCE

### Performance Review

Revenue of \$751.1m for 2011 increased by 4.2% or \$30.2m from \$720.9m in 2010 while operating expenses of \$705.4m increased by 7.5% or \$49.2m from \$656.2m in 2010.

Operating profit of \$45.7m for 2011 was 29.4% or \$19.0m lower than that of \$64.7m in 2010.

Net income from investments of \$0.5m for 2011 was 7.8% lower than 2010.

Finance costs of \$1.7m for 2011 was 325.3% or \$1.3m higher than that of \$0.4m in 2010 due mainly to the issuance of the \$100.0m Medium-Term-Notes in 4Q10.

Consequently, profit before tax for 2011 of \$44.5m was 31.6% or \$20.5m lower than that of \$65.0m in 2010.

Taxation for 2011 of \$7.8m was lower by 27.1% or \$2.9m due to the lower profits in 2011, partially offset by certain non-taxable items in 2010.

Profit attributable to Shareholders of the Company for 2011 of \$36.7m was 32.4% or \$17.6m lower than that of \$54.3m in 2010.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Bus Operations for 2011 at \$566.1m was higher by 3.1% or \$17.1m compared to 2010 due to the increase in average daily ridership of 6.0% offset by lower average fare. For 2011, Bus Operations incurred an operating loss of \$6.0m as compared to an operating profit of \$14.9m in 2010 due mainly to higher fuel cost and higher staff costs, offset by higher bus fare revenue.

Revenue from Rail Operations for 2011 at \$134.4m increased by 10.5% or \$12.7m from \$121.7m in 2010. Average daily ridership for the North-East Line and the two Light Rail Transit systems went up by 12.9% and 15.7% respectively as compared to 2010. Average fares were however lower. Operating profit for 2011 of \$19.7m was better by 12.5% or \$2.2m as compared to \$17.5m in 2010 due mainly to higher rail fare revenue, offset by higher electricity cost and higher staff costs.

Revenue from Advertisement Business for 2011 decreased marginally by 0.3% or \$0.1m to \$36.2m as compared to 2010. Consequently, operating profit for 2011 of \$21.7m decreased by 1.3% or \$0.3m as compared to 2010 due mainly to higher staff costs.

Revenue from Rental Business for 2011 increased by 3.9% or \$0.5m to \$14.4m as compared to 2010 due mainly to higher income from roadshows at the interchanges. However, operating profit for 2011 decreased marginally by 0.2% to \$10.3m as compared to 2010 due mainly to higher staff costs.

### Statement of Financial Position

As at 31 December 2011, total equity increased by 4.8% or \$15.1m to \$331.6m as compared to 31 December 2010 due to the profits generated from operations, partially offset by payment of dividends.

Total assets increased by 6.8% or \$47.6m to \$744.8m due to an increase in non-current assets of \$122.5m, partially offset by the decrease in current assets of \$74.9m. The increase in non-current assets was due mainly to the purchase of buses. The decrease in current assets was due mainly to the decrease in short-term deposits and prepayments.

Total liabilities increased by 8.6% or \$32.5m to \$413.2m due to an increase in current liabilities of \$25.9m and non-current liabilities of \$6.6m. The increase in current liabilities was due mainly to borrowings from banks and the increase in trade payables for buses, partially offset by the decrease in trade and other payables. The increase in non-current liabilities was due to the increase in deferred tax liabilities.

### Cash Flow

Net cash outflow of \$61.5m for 2011 was mainly from the purchase of buses and payment of dividends, partially offset by the net cash generated from operations and borrowings from banks.

Cash and cash equivalents as at 31 December 2011 was \$5.5m. If the available-for-sale investments were included, the cash position as at 31 December 2011 would be \$16.6m.

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

No forecast or prospect statement has been previously disclosed.

**16 OUTLOOK**

With the weaker economic growth expected for 2012, Bus and Rail riderships are expected to increase at a slower rate. Advertising and Rental revenue are expected to be lower in tandem with the lower projected economic growth.

Fuel and Electricity costs are expected to be higher if the current price trend continues. Staff costs are expected to be higher due to salary increments and increases in foreign workers' levy. With the renewal and expansion of the bus fleet, depreciation is expected to increase. The Bus Segment is expected to be impacted more significantly by these cost increases and its outlook remains very difficult.

With the award of the tender to operate the Downtown Line, costs relating to its start up are being incurred from 2012.

**17 DIVIDEND**

**(a) Current Financial Period Reported On**

Proposed final dividend

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	2.80 cents
Tax Rate	Exempt one-tier

Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	3.10 cents
Tax Rate	Exempt one-tier

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Declared final dividend

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.30 cents
Tax Rate	Exempt one-tier

Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.50 cents
Tax Rate	Exempt one-tier



**(c) Date Payable**

The Directors have proposed a tax-exempt one-tier final dividend of 2.80 cents per ordinary share. The final dividend, if approved by the shareholders at the Nineteenth Annual General Meeting of the Company to be held on 26 April 2012, will be payable on 14 May 2012.

**(d) Books Closure Date**

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 4 May 2012 for the purposes of determining shareholders' entitlements to the proposed final 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 5.00pm on 3 May 2012 will be registered before shareholders' entitlements to the final dividend are determined.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00pm on 3 May 2012 will be entitled to the proposed final dividend.

**18 SEGMENTAL INFORMATION**

**By Business Activity**

	<u>Bus</u>	<u>Rail</u>	<u>Advertise-</u>	<u>Rental</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>ments</u>	<u>\$'000</u>	<u>\$'000</u>
			<u>\$'000</u>		
<b><u>Full Year 2011</u></b>					
Revenue	566,093	134,456	36,189	14,368	751,106
<b><u>Results</u></b>					
Segment results	(6,039)	19,649	21,758	10,321	45,689
Net income from investments					521
Finance costs					(1,701)
Profit before taxation					44,509
Taxation					(7,833)
Profit after taxation					<u>36,676</u>
<b><u>Full Year 2010</u></b>					
Revenue	549,017	121,724	36,312	13,827	720,880
<b><u>Results</u></b>					
Segment results	14,884	17,462	22,036	10,337	64,719
Net income from investments					565
Finance costs					(400)
Share of profit in associate					144
Profit before taxation					65,028
Taxation					(10,750)
Profit after taxation					<u>54,278</u>

**19 BREAKDOWN OF REVENUE**

	<u>Full Year 2011 \$'000</u>	<u>Full Year 2010 \$'000</u>	<u>Incr/ (Decr) %</u>
(a) Revenue reported for first half year	369,597	354,464	4.3
(b) Operating profit after tax before deducting minority interests reported for first half year	21,619	31,263	(30.8)
(c) Revenue reported for second half year	381,509	366,416	4.1
(d) Operating profit after tax before deducting minority interests reported for second half year	15,057	23,015	(34.6)

**20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)**

	<u>Full Year 2011 \$'000</u>	<u>Full Year 2010 \$'000</u>
Ordinary shares (tax-exempt one-tier)		
- Interim	9,566	13,856
- Final (proposed)	8,642	13,268
<b>Total</b>	<b>18,208</b>	<b>27,124</b>

**21 INTERESTED PERSON TRANSACTIONS**

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

**22 DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2011, none of the persons occupying managerial positions in the Company is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

**BY ORDER OF THE BOARD**

Kua Zhizhen, Jean / Chan Wan Tak, Wendy  
Joint Company Secretaries

10 February 2012