



SBS TRANSIT LTD
Company Registration No: 199206653M

First Quarter 2011 Financial Statements

The Board of Directors announces the results of the Group for the First Quarter ended 31 March 2011. These figures have not been audited.

1 GROUP INCOME STATEMENT

	Group		
	1st Qtr	1st Qtr	Incr/
	2011	2010	(Decr)
	\$'000	\$'000	%
Revenue	183,947	174,634	5.3
Staff costs	(77,975)	(72,044)	8.2
Repairs and maintenance	(20,484)	(20,140)	1.7
Fuel and electricity costs	(37,266)	(29,743)	25.3
Premises costs	(6,907)	(7,787)	(11.3)
Depreciation expense	(11,142)	(11,261)	(1.1)
Other operating expenses	(15,576)	(14,641)	6.4
Total operating expenses	<u>(169,350)</u>	<u>(155,616)</u>	<u>8.8</u>
Operating profit	14,597	19,018	(23.2)
Net income from investments	151	157	(3.8)
Finance costs	(422)	(8)	5,175.0
Share of profit in associate	-	154	NM
Profit before taxation	<u>14,326</u>	<u>19,321</u>	<u>(25.9)</u>
Taxation	(2,483)	(2,915)	(14.8)
Profit attributable to Shareholders	<u>11,843</u>	<u>16,406</u>	<u>(27.8)</u>

NM - Not meaningful

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

2 STATEMENT OF FINANCIAL POSITION

	The Group and The Company	
	31 Mar 2011	31 Dec 2010
	\$'000	\$'000
<u>ASSETS</u>		
Current assets		
Short-term deposits and bank balances	48,133	67,063
Trade receivables	11,231	9,398
Other receivables and prepayments	46,173	44,944
Inventories	29,962	29,144
Total current assets	<u>135,499</u>	<u>150,549</u>
Non-current assets		
Available-for-sale investments	10,919	10,790
Vehicles, premises and equipment	550,203	535,832
Total non-current assets	<u>561,122</u>	<u>546,622</u>
Total assets	<u><u>696,621</u></u>	<u><u>697,171</u></u>
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Trade and other payables	116,265	129,200
Trade payables for buses	14,165	16,588
Deposits received	1,646	1,658
Insurance premiums payable and provision for accident claims	34,397	34,418
Fuel price equalisation account	19,992	19,992
Income tax payable	772	320
Total current liabilities	<u>187,237</u>	<u>202,176</u>
Non-current liabilities		
Borrowings	100,000	100,000
Deposits received	3,300	3,067
Deferred tax liabilities	44,851	42,831
Provision for service benefits and long service awards	12,115	12,538
Fuel price equalisation account	19,992	19,992
Total non-current liabilities	<u>180,258</u>	<u>178,428</u>
Capital and reserves		
Share capital	93,603	92,973
Capital reserves	1,936	1,867
Accumulated profits	233,587	221,727
Total equity	<u>329,126</u>	<u>316,567</u>
Total liabilities and equity	<u><u>696,621</u></u>	<u><u>697,171</u></u>

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	31 Mar 2011	31 Dec 2010
	\$'000	\$'000
Unsecured		
Amount repayable after one year	<u>100,000</u>	<u>100,000</u>

Details of any collateral

Not applicable.

4 GROUP CASH FLOW STATEMENT

	Group	
	1st Qtr	1st Qtr
	2011	2010
	\$'000	\$'000
Operating activities		
Profit before taxation	14,326	19,321
Adjustments for:		
Depreciation expense	11,142	11,261
Fuel price equalisation account	-	5,909
Finance costs	422	8
Share-based payment expense	-	94
Net gain on disposal of vehicles and equipment	(415)	(150)
Interest income	(151)	(157)
Share of profit in associate	-	(154)
Operating cash flows before movements in working capital	<u>25,324</u>	<u>36,132</u>
Changes in working capital	(19,852)	(16,067)
Cash generated from operations	<u>5,472</u>	<u>20,065</u>
Income tax paid	(11)	(770)
Net cash from operating activities	<u>5,461</u>	<u>19,295</u>
Investing activities		
Interest received	61	192
Proceeds from disposal of vehicles and equipment	417	153
Purchase of vehicles, premises and equipment	(25,456)	(42,041)
Net cash used in investing activities	<u>(24,978)</u>	<u>(41,696)</u>
Financing activities		
Short-term loans raised	-	20,500
Proceeds from share issue	579	-
Interest paid	-	(9)
Others	8	-
Net cash from financing activities	<u>587</u>	<u>20,491</u>
Net decrease in cash and cash equivalents	(18,930)	(1,910)
Cash and cash equivalents at beginning of period	67,063	6,057
Cash and cash equivalents at end of period	<u><u>48,133</u></u>	<u><u>4,147</u></u>

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

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		
	1st Qtr 2011	1st Qtr 2010	Incr/ (Decr)
	\$'000	\$'000	%
Profit attributable to Shareholders	11,843	16,406	(27.8)
Fair value gain on available-for-sale investments	129	466	(72.3)
Total comprehensive income attributable to Shareholders	<u>11,972</u>	<u>16,872</u>	<u>(29.0)</u>

6 STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2011:

	Group			
	Attributable to Shareholders of the Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2010	92,310	1,391	194,400	288,101
Total comprehensive income for the period	-	466	16,406	16,872
Recognition of share-based payments	-	94	-	94
Others	-	(76)	76	-
Balance at 31 March 2010	<u>92,310</u>	<u>1,875</u>	<u>210,882</u>	<u>305,067</u>
Balance at 1 January 2011	92,973	1,867	221,727	316,567
Total comprehensive income for the period	-	129	11,843	11,972
Exercise of share options	630	(51)	-	579
Others	-	(9)	17	8
Balance at 31 March 2011	<u>93,603</u>	<u>1,936</u>	<u>233,587</u>	<u>329,126</u>

Statement of Changes in Equity of the Company for the First Quarter ended 31 March 2011:

	Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2010	92,310	1,391	194,093	287,794
Total comprehensive income for the period	-	466	16,252	16,718
Recognition of share-based payments	-	94	-	94
Others	-	(76)	76	-
Balance at 31 March 2010	<u>92,310</u>	<u>1,875</u>	<u>210,421</u>	<u>304,606</u>
Balance at 1 January 2011	92,973	1,867	221,727	316,567
Total comprehensive income for the period	-	129	11,843	11,972
Exercise of share options	630	(51)	-	579
Others	-	(9)	17	8
Balance at 31 March 2011	<u>93,603</u>	<u>1,936</u>	<u>233,587</u>	<u>329,126</u>

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the quarter, 366,250 new ordinary shares were issued by the Company upon the exercise of options granted under the SBS Transit Share Option Scheme.

As at 31 March 2011, the total number of issued shares was 308,472,266 (31 December 2010: 308,106,016).

Outstanding Shares - SBS Transit Share Option Scheme

As at 31 March 2011, there were unexercised options for 9,662,750 (31 March 2010: 11,091,000) of unissued ordinary shares under the SBS Transit Share Option Scheme.

8 AUDIT

Not applicable.

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 2010.

In this current financial period, the Group 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 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 EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)

Earnings per ordinary share

	Group	
	1st Qtr 2011	1st Qtr 2010
Earnings per ordinary share for the period based on profit attributable to Shareholders:-		
(i) Based on the weighted average number of ordinary shares in issue	3.84 cents	5.33 cents
(ii) On a fully diluted basis	3.83 cents	5.33 cents

EBITDA

	Group	
	1st Qtr 2011	1st Qtr 2010
(i) EBITDA (\$'000)	25,739	30,279
(ii) EBITDA margin (%)	14.0	17.3

13 NET ASSET VALUE PER ORDINARY SHARE

	The Group and The Company	
	31 Mar 2011	31 Dec 2010
Net asset value per ordinary share based on issued share capital at the end of the period/year	107 cents	103 cents

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group revenue of \$183.9m for 1Q11 increased by 5.3% or \$9.3m from \$174.6m in 1Q10 while Group operating expenses of \$169.3m increased by 8.8% or \$13.7m from \$155.6m in 1Q10.

Group operating profit of \$14.6m for 1Q11 was 23.2% or \$4.4m lower than that of \$19.0m in 1Q10.

Net income from investments of \$0.1m for 1Q11 was 3.8% lower than 1Q10.

Finance costs of \$0.4m for 1Q11 was due to the issuance of the \$100.0m Medium-Term-Notes in 4Q10.

Consequently, Group profit before tax for 1Q11 of \$14.3m was 25.9% or \$5.0m lower than that of \$19.3m in 1Q10.

Taxation for 1Q11 of \$2.5m was lower by 14.8% or \$0.4m due to lower profits generated in 1Q11, partially offset by the receipt of Jobs Credits in 1Q10 which was tax exempt.

Group profit attributable to Shareholders of the Company for 1Q11 of \$11.8m was 27.8% or \$4.6m lower than that of \$16.4m in 1Q10.

A segmental breakdown by business is provided under paragraph 19.

Revenue from Bus Operations for 1Q11 at \$138.6m was higher by 2.4% or \$3.2m due to the increase in average daily ridership of 7.6% offset by lower average fares with the implementation of Distance Fares as compared to 1Q10. Operating profit for 1Q11 of \$0.5m decreased by 93.4% or \$7.1m from \$7.6m in 1Q10 due mainly to higher fuel cost and higher staff costs, offset by higher bus fare revenue.

Revenue from Rail Operations for 1Q11 at \$32.5m increased by 13.1% or \$3.8m from \$28.7m in 1Q10. Average daily ridership for the North-East Line and the two light rail transit systems went up by 17.3% and 13.2% respectively as compared to 1Q10. Average fares were however lower. Operating profit for 1Q11 of \$5.7m was better by 29.5% or \$1.3m as compared to \$4.4m in 1Q10 due to higher rail fare revenue and lower premises costs, offset by higher electricity cost and higher staff costs.

Revenue from Advertisement Business for 1Q11 was higher by 31.3% or \$2.2m to \$9.3m as compared to 1Q10 and operating profit increased by 29.4% or \$1.3m to \$5.9m in 1Q11 due mainly to the higher bus advertisements revenue, offset by higher advertising costs.

Revenue from Rental Business for 1Q11 increased by 3.4% or \$0.1m to \$3.5m as compared to 1Q10 due to higher income from roadshows at the interchanges. Operating profit for 1Q11 of \$2.5m increased marginally by 1.0% as compared to 1Q10.

Statement of Financial Position

As at 31 March 2011, total equity for the Group increased by 4.0% or \$12.6m to \$329.1m as compared to 31 December 2010 due to the profits generated from operations.

Group total liabilities decreased by 3.4% or \$13.1m to \$367.5m due to the decrease in current liabilities by \$14.9m, partially offset by the increase in non-current liabilities by \$1.8m. The decrease in current liabilities was due mainly to the decrease in trade payables for buses and other payables. The increase in non-current liabilities was due to the increase in deferred tax liabilities.

Cash Flow

Net cash outflow of \$18.9m for 1Q11 was mainly from the purchase of buses, partially offset by the net cash generated from operations.

Group cash and cash equivalents as at 31 March 2011 was \$48.1m. If the available-for-sale investments were included, the cash position as at 31 March 2011 would be \$59.1m.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

Bus and Rail riderships are expected to increase in line with the positive economic outlook. Advertising and Rental revenues are expected to be maintained.

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, the increase in Central Provident Fund employer contribution rate and the cessation of Jobs Credits. With the renewal and expansion of the bus fleet, depreciation expense is expected to increase. All these cost increases are expected to impact the Bus Segment more significantly.

17 DIVIDEND

(a) Current Financial Period Reported On

Any dividend proposed for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

18 IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT.

No dividend has been recommended.

19 GROUP 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>		
<u>1st Quarter 2011</u>					
Revenue	138,586	32,479	9,357	3,525	183,947
<u>Results</u>					
Segment results	503	5,684	5,889	2,521	14,597
Net income from investments					151
Finance costs					(422)
Profit before taxation					14,326
Taxation					(2,483)
Profit after taxation					11,843
<u>1st Quarter 2010</u>					
Revenue	135,391	28,705	7,128	3,410	174,634
<u>Results</u>					
Segment results	7,582	4,389	4,551	2,496	19,018
Net income from investments					157
Finance costs					(8)
Share of profit in associate					154
Profit before taxation					19,321
Taxation					(2,915)
Profit after taxation					16,406

20 BREAKDOWN OF REVENUE

Not applicable.

21 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

Not applicable.

22 INTERESTED PERSON TRANSACTIONS

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

23 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 First Quarter 2011 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Gan Juay Kiat
Chief Executive Officer

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy
Company Secretary

12 May 2011