

First Quarter 2012 Financial Statements

The Board of Directors announces the results of the Group for the First Quarter ended 31 March 2012. These figures have not been audited.

1 GROUP INCOME STATEMENT

(i)

	Group		
	1st Qtr	1st Qtr	Incr/
	2012	2011	(Decr)
	\$'000	\$'000	%
Revenue	191,277	183,947	4.0
Staff costs	(80,264)	(77,975)	2.9
Repairs and maintenance	(23,568)	(21,176)	11.3
Fuel and electricity costs	(45,290)	(37,266)	21.5
Premises costs	(7,564)	(6,215)	21.7
Depreciation expense	(13,227)	(11,142)	18.7
Other operating expenses	(15,121)	(15,576)	(2.9)
Total operating expenses	(185,034)	(169,350)	9.3
Operating profit	6,243	14,597	(57.2)
Net income from investments	110	151	(27.2)
Finance costs	(485)	(422)	14.9
Profit before taxation	5,868	14,326	(59.0)
Taxation	(1,032)	(2,483)	(58.4)
Profit attributable to Shareholders	4,836	11,843	(59.2)

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

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

	Group		
	1st Qtr	1st Qtr	Incr/
	2012	2011	(Decr)
	\$'000	\$'000	%
<u>After crediting :-</u>			
Net gain on disposal of vehicles and equipment	527	415	27.0

2 STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Short-term deposits and bank balances	4,130	5,540	4,054	5,540
Trade receivables	10,952	10,385	10,952	10,385
Other receivables and prepayments	27,399	29,428	27,615	29,428
Inventories	30,181	30,347	30,181	30,347
Total current assets	<u>72,662</u>	<u>75,700</u>	<u>72,802</u>	<u>75,700</u>
Non-current assets				
Subsidiary	-	-	100	-
Available-for-sale investments	11,029	11,105	11,029	11,105
Vehicles, premises and equipment	691,615	657,977	691,602	657,977
Total non-current assets	<u>702,644</u>	<u>669,082</u>	<u>702,731</u>	<u>669,082</u>
Total assets	<u><u>775,306</u></u>	<u><u>744,782</u></u>	<u><u>775,533</u></u>	<u><u>744,782</u></u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Borrowings	57,000	28,500	57,000	28,500
Trade and other payables	112,111	122,831	111,999	122,831
Trade payables for buses	27,563	20,099	27,563	20,099
Deposits received	2,123	2,286	2,123	2,286
Insurance premiums payable and provision for accident claims	32,574	32,938	32,574	32,938
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	1,474	1,462	1,474	1,462
Total current liabilities	<u>252,837</u>	<u>228,108</u>	<u>252,725</u>	<u>228,108</u>
Non-current liabilities				
Borrowings	100,000	100,000	100,000	100,000
Deposits received	3,097	2,984	3,097	2,984
Deferred tax liabilities	50,452	49,445	50,452	49,445
Provision for service benefits and long service awards	12,537	12,622	12,536	12,622
Fuel price equalisation account	19,992	19,992	19,992	19,992
Total non-current liabilities	<u>186,078</u>	<u>185,043</u>	<u>186,077</u>	<u>185,043</u>
Capital and reserves				
Share capital	93,875	93,875	93,875	93,875
Capital reserves	1,948	2,024	1,948	2,024
Accumulated profits	240,568	235,732	240,908	235,732
Total equity	<u>336,391</u>	<u>331,631</u>	<u>336,731</u>	<u>331,631</u>
Total liabilities and equity	<u><u>775,306</u></u>	<u><u>744,782</u></u>	<u><u>775,533</u></u>	<u><u>744,782</u></u>

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	31 Mar 2012	31 Dec 2011
	\$'000	\$'000
Unsecured		
Amount repayable in one year or less, or on demand	57,000	28,500
Amount repayable after one year	100,000	100,000
	<u>157,000</u>	<u>128,500</u>

Details of any collateral

Not applicable.

4 GROUP CASH FLOW STATEMENT

	Group	
	1st Qtr	1st Qtr
	2012	2011
	\$'000	\$'000
Operating activities		
Profit before taxation	5,868	14,326
Adjustments for:		
Depreciation expense	13,227	11,142
Finance costs	485	422
Net gain on disposal of vehicles and equipment	(527)	(415)
Interest income	(110)	(151)
Operating cash flows before movements in working capital	18,943	25,324
Changes in working capital	(2,515)	(19,852)
Cash generated from operations	16,428	5,472
Income tax paid	(13)	(11)
Net cash from operating activities	16,415	5,461
Investing activities		
Interest received	-	61
Proceeds from disposal of vehicles and equipment	546	417
Purchase of vehicles, premises and equipment	(46,848)	(25,456)
Net cash used in investing activities	(46,302)	(24,978)
Financing activities		
Short term loans raised	28,500	-
Proceeds from share issue	-	579
Interest paid	(23)	-
Others	-	8
Net cash from financing activities	28,477	587
Net decrease in cash and cash equivalents	(1,410)	(18,930)
Cash and cash equivalents at beginning of period	5,540	67,063
Cash and cash equivalents at end of period	4,130	48,133

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		
	1st Qtr	1st Qtr	Incr/ (Decr)
	2012	2011	%
	\$'000	\$'000	
Profit attributable to Shareholders	4,836	11,843	(59.2)
Fair value (loss) gain on available-for-sale investments	(76)	129	NM
Total comprehensive income attributable to Shareholders	4,760	11,972	(60.2)

NM - Not meaningful

6 STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2012:

	Group			
	Attributable to Shareholders of the Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
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	93,603	1,936	233,587	329,126
Balance at 1 January 2012	93,875	2,024	235,732	331,631
Total comprehensive income for the period	-	(76)	4,836	4,760
Balance at 31 March 2012	93,875	1,948	240,568	336,391

Statement of Changes in Equity of the Company for the First Quarter ended 31 March 2012:

	Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
	Balance at 1 January 2011	92,973	1,867	221,727
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	93,603	1,936	233,587	329,126
Balance at 1 January 2012	93,875	2,024	235,732	331,631
Total comprehensive income for the period	-	(76)	5,176	5,100
Balance at 31 March 2012	93,875	1,948	240,908	336,731

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

Since 31 December 2011, no new ordinary shares were issued by the Company.

As at 31 March 2012, the total number of issued shares was 308,629,766 (31 December 2011: 308,629,766).

Outstanding Shares - SBS Transit Share Option Scheme

As at 31 March 2012, there were unexercised options for 8,723,750 (31 March 2011: 9,662,750) 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 2011.

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 2012. 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 METHODS OF COMPUTATION

Not applicable.

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

	Group	
	1st Qtr 2012	1st Qtr 2011
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	1.57 cents	3.84 cents
(ii) On a fully diluted basis	1.57 cents	3.83 cents

EBITDA

	Group	
	1st Qtr 2012	1st Qtr 2011
(i) EBITDA (\$'000)	19,470	25,739
(ii) EBITDA margin (%)	10.2	14.0

13 NET ASSET VALUE PER ORDINARY SHARE

	The Group and The Company	
	31 Mar 2012	31 Dec 2011
Net asset value per ordinary share based on issued share capital at the end of the period/year	109 cents	107 cents

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group revenue of \$191.3m for 1Q12 increased by 4.0% or \$7.3m from \$183.9m in 1Q11 while Group operating expenses of \$185.0m increased by 9.3% or \$15.7m from \$169.4m in 1Q11.

Group operating profit of \$6.2m for 1Q12 was 57.2% or \$8.4m lower than that of \$14.6m in 1Q11.

Net income from investments of \$0.1m for 1Q12 was 27.2% lower than 1Q11.

Finance costs of \$0.5m for 1Q12 was 14.9% or \$0.1m higher than that of \$0.4m in 1Q11.

Consequently, Group profit before tax for 1Q12 of \$5.9m was 59.0% or \$8.5m lower than that of \$14.3m in 1Q11.

Taxation for 1Q12 of \$1.0m was lower by 58.4% or \$1.5m due mainly to the lower profits in 1Q12.

Group profit attributable to Shareholders of the Company for 1Q12 of \$4.8m was 59.2% or \$7.0m lower than that of \$11.8m in 1Q11.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Bus Operations for 1Q12 at \$144.9m was higher by 4.5% or \$6.3m compared to 1Q11 due to the increase in average daily ridership of 4.2% offset by the decrease in average fare. For 1Q12, Bus Operations incurred an operating loss of \$3.7m as compared to an operating profit of \$0.5m in 1Q11 due mainly to higher fuel cost, higher depreciation, higher staff costs and higher repairs and maintenance costs, offset by higher bus fare revenue.

Revenue from Rail Operations for 1Q12 at \$34.2m was higher by 5.3% or \$1.7m compared to 1Q11 due to the increase in average daily ridership, offset by the decrease in average fare. Average daily ridership for the North-East Line and the two Light Rail Transit systems went up by 7.4% and 20.4% respectively as compared to 1Q11. Operating profit for 1Q12 of \$1.8m decreased by 67.8% or \$3.9m as compared to \$5.7m in 1Q11 due mainly to higher electricity cost, higher repairs and maintenance costs, higher staff costs and higher premises costs, offset by higher rail fare revenue.

Revenue from Advertisement Business for 1Q12 decreased by 5.0% or \$0.5m to \$8.9m as compared to 1Q11 due to the decrease in panel advertising sales. Consequently, operating profit for 1Q12 of \$5.8m decreased marginally by 0.8% or \$0.1m as compared to 1Q11.

Revenue from Rental Business for 1Q12 decreased by 5.9% or \$0.2m to \$3.3m as compared to 1Q11 due mainly to lower income from shop space and roadshows at the interchanges. Consequently, operating profit for 1Q12 decreased by 9.2% or \$0.2m to \$2.3m as compared to 1Q11.

Statement of Financial Position

As at 31 March 2012, total equity for the Group increased by 1.4% or \$4.8m to \$336.4m as compared to 31 December 2011 due mainly to the profits generated from operations.

Group total assets increased by 4.1% or \$30.5m to \$775.3m due to an increase in non-current assets of \$33.6m, partially offset by the decrease in current assets of \$3.0m. 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 prepayments and short-term deposits.

Group total liabilities increased by 6.2% or \$25.8m to \$438.9m due to an increase in current liabilities of \$24.7m and non-current liabilities of \$1.0m. 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 mainly to the increase in deferred tax liabilities.

Cash Flow

Net cash outflow of \$1.4m for 1Q12 was mainly from the purchase of buses, partially offset by borrowings from banks and the net cash generated from operations.

Group cash and cash equivalents as at 31 March 2012 was \$4.1m. If the available-for-sale investments were included, the cash position as at 31 March 2012 would be \$15.2m.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP 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 adjustments 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 this year.

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 GROUP SEGMENTAL INFORMATION**By Business Activity**

	<u>Bus</u>	<u>Rail</u>	<u>Advertise- ments</u>	<u>Rental</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>1st Quarter 2012</u>					
Revenue	144,872	34,196	8,891	3,318	191,277
<u>Results</u>					
Segment results	(3,715)	1,830	5,840	2,288	6,243
Net income from investments					110
Finance costs					(485)
Profit before taxation					5,868
Taxation					(1,032)
Profit after taxation					4,836
<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

19 BREAKDOWN OF REVENUE

Not applicable.

20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

Not applicable.

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 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 2012 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

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

11 May 2012