



SBS TRANSIT LTD

Company Registration No: 199206653M

Second Quarter 2011 Financial Statements and Dividend Announcement

The Board of Directors announces the unaudited results for the Second Quarter and Half Year ended 30 June 2011.

1 INCOME STATEMENT

	2nd Qtr 2011 \$'000	2nd Qtr 2010 \$'000	Incr/ (Decr) %	1st Half 2011 \$'000	1st Half 2010 \$'000	Incr/ (Decr) %
Revenue	185,650	179,830	3.2	369,597	354,464	4.3
Staff costs	(73,670)	(72,913)	1.0	(151,645)	(144,957)	4.6
Repairs and maintenance	(21,893)	(21,371)	2.4	(42,377)	(41,511)	2.1
Fuel and electricity costs	(44,119)	(35,663)	23.7	(81,385)	(65,406)	24.4
Premises costs	(7,298)	(7,666)	(4.8)	(14,205)	(15,453)	(8.1)
Depreciation expense	(11,598)	(11,920)	(2.7)	(22,740)	(23,181)	(1.9)
Other operating expenses	(14,963)	(13,031)	14.8	(30,539)	(27,672)	10.4
Total operating expenses	(173,541)	(162,564)	6.8	(342,891)	(318,180)	7.8
Operating profit	12,109	17,266	(29.9)	26,706	36,284	(26.4)
Net income from investments	134	150	(10.7)	285	307	(7.2)
Finance costs	(423)	(23)	1,739.1	(845)	(31)	2,625.8
Share of (loss) profit in associate	-	(10)	NM	-	144	NM
Profit before taxation	11,820	17,383	(32.0)	26,146	36,704	(28.8)
Taxation	(2,044)	(2,526)	(19.1)	(4,527)	(5,441)	(16.8)
Profit attributable to Shareholders	9,776	14,857	(34.2)	21,619	31,263	(30.8)

NM - Not meaningful

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

2 STATEMENT OF FINANCIAL POSITION

	30 Jun 2011	31 Dec 2010
	\$'000	\$'000
<u>ASSETS</u>		
Current assets		
Short-term deposits and bank balances	29,120	67,063
Trade receivables	8,724	9,398
Other receivables and prepayments	36,863	44,944
Inventories	30,368	29,144
Total current assets	<u>105,075</u>	<u>150,549</u>
Non-current assets		
Available-for-sale investments	11,005	10,790
Vehicles, premises and equipment	594,518	535,832
Total non-current assets	<u>605,523</u>	<u>546,622</u>
Total assets	<u>710,598</u>	<u>697,171</u>
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Trade and other payables	112,503	129,200
Trade payables for buses	33,432	16,588
Deposits received	1,641	1,658
Insurance premiums payable and provision for accident claims	33,946	34,418
Fuel price equalisation account	19,992	19,992
Income tax payable	1,282	320
Total current liabilities	<u>202,796</u>	<u>202,176</u>
Non-current liabilities		
Borrowings	100,000	100,000
Deposits received	3,394	3,067
Deferred tax liabilities	46,351	42,831
Provision for service benefits and long service awards	12,181	12,538
Fuel price equalisation account	19,992	19,992
Total non-current liabilities	<u>181,918</u>	<u>178,428</u>
Capital and reserves		
Share capital	93,741	92,973
Capital reserves	2,010	1,867
Accumulated profits	230,133	221,727
Total equity	<u>325,884</u>	<u>316,567</u>
Total liabilities and equity	<u>710,598</u>	<u>697,171</u>

3 AGGREGATE AMOUNT OF BORROWINGS

	30 Jun 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 CASH FLOW STATEMENT

	2nd Qtr 2011 \$'000	2nd Qtr 2010 \$'000	1st Half 2011 \$'000	1st Half 2010 \$'000
Operating activities				
Profit before taxation	11,820	17,383	26,146	36,704
Adjustments for:				
Depreciation expense	11,598	11,920	22,740	23,181
Fuel price equalisation account	-	-	-	5,909
Finance costs	423	23	845	31
Share-based payment expense	-	88	-	182
Gain on disposal of available-for-sale investments	-	(30)	-	(30)
Net gain on disposal of vehicles and equipment	(395)	(145)	(810)	(295)
Interest income	(134)	(120)	(285)	(277)
Share of loss (profit) in associate	-	10	-	(144)
Operating cash flows before movements in working capital	23,312	29,129	48,636	65,261
Changes in working capital	26,995	(14,320)	7,143	(30,387)
Cash generated from operations	50,307	14,809	55,779	34,874
Income tax paid	(34)	(46)	(45)	(816)
Net cash from operating activities	50,273	14,763	55,734	34,058
Investing activities				
Interest received	245	238	306	430
Proceeds from disposal of:				
Vehicles and equipment	398	672	815	825
Available-for-sale investments	-	5,030	-	5,030
Investment in associate	-	1,731	-	1,731
Purchase of vehicles, premises and equipment	(55,853)	(20,449)	(81,309)	(62,490)
Net cash used in investing activities	(55,210)	(12,778)	(80,188)	(54,474)
Financing activities				
Short term loans raised	-	11,000	-	31,500
Proceeds from share issue	126	-	705	-
Interest paid	(972)	(27)	(972)	(36)
Dividends paid	(13,268)	(13,232)	(13,268)	(13,232)
Others	38	6	46	6
Net cash (used in) from financing activities	(14,076)	(2,253)	(13,489)	18,238
Net decrease in cash and cash equivalents	(19,013)	(268)	(37,943)	(2,178)
Cash and cash equivalents at beginning of period	48,133	4,147	67,063	6,057
Cash and cash equivalents at end of period	29,120	3,879	29,120	3,879

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

5 COMPREHENSIVE INCOME STATEMENT

	2nd Qtr 2011	2nd Qtr 2010	Incr/ (Decr)	1st Half 2011	1st Half 2010	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit attributable to Shareholders	9,776	14,857	(34.2)	21,619	31,263	(30.8)
Fair value gain on available-for-sale investments	86	181	(52.5)	215	647	(66.8)
Total comprehensive income attributable to Shareholders	<u>9,862</u>	<u>15,038</u>	<u>(34.4)</u>	<u>21,834</u>	<u>31,910</u>	<u>(31.6)</u>

6 STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Second Quarter and Half-Year ended 30 June 2011:

	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	92,310	1,875	210,882	305,067
Total comprehensive income for the period	-	181	14,857	15,038
Recognition of share-based payments	-	88	-	88
Payment of dividends	-	-	(13,232)	(13,232)
Others	-	(8)	14	6
Balance at 30 June 2010	<u>92,310</u>	<u>2,136</u>	<u>212,521</u>	<u>306,967</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	93,603	1,936	233,587	329,126
Total comprehensive income for the period	-	86	9,776	9,862
Exercise of share options	138	(12)	-	126
Payment of dividends	-	-	(13,268)	(13,268)
Others	-	-	38	38
Balance at 30 June 2011	<u>93,741</u>	<u>2,010</u>	<u>230,133</u>	<u>325,884</u>

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the quarter, 80,000 new ordinary shares were issued by the Company upon the exercise of options granted under the SBS Transit Share Option Scheme.

As at 30 June 2011, the total number of issued shares was 308,552,266 (31 December 2010: 308,106,016).

Outstanding Shares - SBS Transit Share Option Scheme

As at 30 June 2011, there were unexercised options for 9,582,750 (30 June 2010: 11,038,500) of unissued ordinary shares under the SBS Transit Share Option Scheme.

8 AUDIT

Not applicable.

9 AUDITORS' REPORT

Not applicable.

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 period, 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 ESTIMATES

Not applicable.

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

Earnings per ordinary share

	<u>2nd Qtr 2011</u>	<u>2nd Qtr 2010</u>	<u>1st Half 2011</u>	<u>1st Half 2010</u>
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	3.17 cents	4.83 cents	7.01 cents	10.16 cents
(ii) On a fully diluted basis	3.16 cents	4.82 cents	7.00 cents	10.15 cents

EBITDA

	<u>2nd Qtr 2011</u>	<u>2nd Qtr 2010</u>	<u>1st Half 2011</u>	<u>1st Half 2010</u>
(i) EBITDA (\$'000)	23,707	29,186	49,446	59,465
(ii) EBITDA margin (%)	12.8	16.2	13.4	16.8

13 NET ASSET VALUE PER ORDINARY SHARE

	<u>30 Jun 2011</u>	<u>31 Dec 2010</u>
Net asset value per ordinary share based on issued share capital at the end of the period/year	106 cents	103 cents

14 REVIEW OF PERFORMANCE

Performance Review

Revenue of \$185.6m for 2Q11 increased by 3.2% or \$5.8m from \$179.8m in 2Q10 while operating expenses of \$173.5m increased by 6.8% or \$11.0m from \$162.5m in 2Q10.

Operating profit of \$12.1m for 2Q11 was 29.9% or \$5.2m lower than that of \$17.3m in 2Q10.

Net income from investments of \$0.1m for 2Q11 was 10.7% lower than 2Q10.

Finance costs of \$0.4m for 2Q11 was due to the issuance of the \$100.0m Medium-Term-Notes in 4Q10.

Consequently, profit before tax for 2Q11 of \$11.8m was 32.0% or \$5.6m lower than that of \$17.4m in 2Q10.

Taxation for 2Q11 of \$2.0m was lower by 19.1% or \$0.5m due to lower profits generated in 2Q11, partially offset by certain non-taxable items in 2Q10.

Profit attributable to Shareholders of the Company for 2Q11 of \$9.8m was 34.2% or \$5.1m lower than that of \$14.9m in 2Q10.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Bus Operations for 2Q11 at \$139.7m was higher by 1.7% or \$2.3m due to the increase in average daily ridership of 6.5% offset by lower average fares with the implementation of Distance Fares as compared to 2Q10. Operating loss for 2Q11 was \$1.5m as compared to operating profit of \$4.0m in 2Q10 due mainly to higher fuel cost and higher other operating expenses, offset by higher bus fare revenue.

Revenue from Rail Operations for 2Q11 at \$33.3m increased by 11.1% or \$3.3m from \$30.0m in 2Q10. Average daily ridership for the North-East Line and the two light rail transit systems went up by 15.7% and 15.8% respectively as compared to 2Q10. Average fares were however lower. Operating profit for 2Q11 of \$5.3m was better by 3.7% or \$0.2m as compared to \$5.1m in 2Q10 due to higher rail fare revenue, offset by higher electricity cost.

Revenue from Advertisement Business for 2Q11 decreased marginally by 0.8% or \$0.1m to \$9.1m as compared to 2Q10 while operating profit for 2Q11 of \$5.7m increased marginally by 0.4% as compared to 2Q10.

Revenue from Rental Business for 2Q11 increased by 6.3% or \$0.2m to \$3.5m as compared to 2Q10 due to higher income from roadshows at the interchanges. Operating profit for 2Q11 of \$2.6m increased by 5.1% or \$0.1m as compared to 2Q10.

Statement of Financial Position

As at 30 June 2011, total equity increased by 2.9% or \$9.3m to \$325.9m as compared to 31 December 2010 due to the profits generated from operations, partially offset by payment of dividends.

Total assets increased by 1.9% or \$13.4m to \$710.6m due to an increase in non-current assets of \$58.9m, partially offset by the decrease in current assets of \$45.5m. The increase in non-current assets was due mainly to the purchase of buses. The decrease in current assets was due to the decrease in short-term deposits and prepayments.

Total liabilities increased by 1.1% or \$4.1m to \$384.7m due to an increase in non-current liabilities of \$3.5m and current liabilities of \$0.6m. The increase in non-current liabilities was due to the increase in deferred tax liabilities. The increase in current liabilities was due mainly to the increase in trade payables for buses and income tax payable, partially offset by the decrease in trade and other payables.

Cash Flow

Net cash outflow of \$19.0m for 2Q11 was mainly from the purchase of buses and payment of dividends, partially offset by the net cash generated from operations.

Cash and cash equivalents as at 30 June 2011 was \$29.1m. If the available-for-sale investments were included, the cash position as at 30 June 2011 would be \$40.1m.

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

No forecast or prospect statement has been previously disclosed.

16 OUTLOOK

Bus and Rail riderships are expected to increase. 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 increases in Central Provident Fund employer contribution rate and foreign workers levy, and the cessation of Jobs Credit. The Bus Segment is expected to be impacted more significantly by these cost increases and its outlook remains very challenging.

17 **DIVIDEND**

(a) Current Financial Period Reported On

Proposed 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 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 declared a tax-exempt one-tier interim dividend of 3.10 cents per ordinary share. The dividend will be payable on 31 August 2011.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 20 August 2011 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 5.00pm on 19 August 2011 will be registered before shareholders' entitlements to the interim 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 19 August 2011 will be entitled to the interim 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>		
<u>2nd Quarter 2011</u>					
Revenue	139,677	33,341	9,121	3,511	185,650
<u>Results</u>					
Segment results	(1,483)	5,289	5,736	2,567	12,109
Net income from investments					134
Finance costs					(423)
Profit before taxation					11,820
Taxation					(2,044)
Profit after taxation					<u>9,776</u>
<u>2nd Quarter 2010</u>					
Revenue	137,329	30,006	9,192	3,303	179,830
<u>Results</u>					
Segment results	4,008	5,100	5,715	2,443	17,266
Net income from investments					150
Finance costs					(23)
Share of loss in associate					(10)
Profit before taxation					17,383
Taxation					(2,526)
Profit after taxation					<u>14,857</u>
<u>First Half 2011</u>					
Revenue	278,263	65,820	18,478	7,036	369,597
<u>Results</u>					
Segment results	(980)	10,973	11,625	5,088	26,706
Net income from investments					285
Finance costs					(845)
Profit before taxation					26,146
Taxation					(4,527)
Profit after taxation					<u>21,619</u>
<u>First Half 2010</u>					
Revenue	272,720	58,711	16,320	6,713	354,464
<u>Results</u>					
Segment results	11,590	9,489	10,266	4,939	36,284
Net income from investments					307
Finance costs					(31)
Share of profit in associate					144
Profit before taxation					36,704
Taxation					(5,441)
Profit after taxation					<u>31,263</u>

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 Second 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

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

11 August 2011