

Third Quarter 2011 Financial Statements

The Board of Directors announces the unaudited results for the Third Quarter and 9 Months ended 30 September 2011.

1 INCOME STATEMENT

	3rd Qtr 2011 \$'000	3rd Qtr 2010 \$'000	Incr/ (Decr) %	9 Months 2011 \$'000	9 Months 2010 \$'000	Incr/ (Decr) %
<b>Revenue</b>	192,391	184,864	4.1	561,988	539,328	4.2
Staff costs	(76,680)	(74,817)	2.5	(228,325)	(219,774)	3.9
Repairs and maintenance	(22,430)	(22,663)	(1.0)	(64,807)	(64,174)	1.0
Fuel and electricity costs	(44,941)	(33,089)	35.8	(126,326)	(98,495)	28.3
Premises costs	(7,799)	(9,280)	(16.0)	(22,004)	(24,733)	(11.0)
Depreciation expense	(12,249)	(12,054)	1.6	(34,989)	(35,235)	(0.7)
Other operating expenses	(15,057)	(17,159)	(12.3)	(45,596)	(44,831)	1.7
Total operating expenses	<u>(179,156)</u>	<u>(169,062)</u>	<u>6.0</u>	<u>(522,047)</u>	<u>(487,242)</u>	<u>7.1</u>
<b>Operating profit</b>	13,235	15,802	(16.2)	39,941	52,086	(23.3)
Net income from investments	124	111	11.7	409	418	(2.2)
Finance costs	(450)	(49)	818.4	(1,295)	(80)	1,518.8
Share of profit in associate	-	-	-	-	144	NM
<b>Profit before taxation</b>	<u>12,909</u>	<u>15,864</u>	<u>(18.6)</u>	<u>39,055</u>	<u>52,568</u>	<u>(25.7)</u>
Taxation	(2,249)	(3,118)	(27.9)	(6,776)	(8,559)	(20.8)
<b>Profit attributable to Shareholders</b>	<u><u>10,660</u></u>	<u><u>12,746</u></u>	<u><u>(16.4)</u></u>	<u><u>32,279</u></u>	<u><u>44,009</u></u>	<u><u>(26.7)</u></u>

NM - Not meaningful

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

## 2 STATEMENT OF FINANCIAL POSITION

	<u>30 Sep 2011</u>	<u>31 Dec 2010</u>
	<u>\$'000</u>	<u>\$'000</u>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Short-term deposits and bank balances	10,543	67,063
Trade receivables	9,359	9,398
Other receivables and prepayments	32,836	44,944
Inventories	30,600	29,144
Total current assets	<u>83,338</u>	<u>150,549</u>
<b>Non-current assets</b>		
Available-for-sale investments	11,214	10,790
Vehicles, premises and equipment	628,964	535,832
Total non-current assets	<u>640,178</u>	<u>546,622</u>
<b>Total assets</b>	<u><u>723,516</u></u>	<u><u>697,171</u></u>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b>Current liabilities</b>		
Trade and other payables	120,184	129,200
Trade payables for buses	35,041	16,588
Deposits received	2,086	1,658
Insurance premiums payable and provision for accident claims	33,235	34,418
Fuel price equalisation account	19,992	19,992
Income tax payable	1,438	320
Total current liabilities	<u>211,976</u>	<u>202,176</u>
<b>Non-current liabilities</b>		
Borrowings	100,000	100,000
Deposits received	3,115	3,067
Deferred tax liabilities	48,410	42,831
Provision for service benefits and long service awards	12,690	12,538
Fuel price equalisation account	19,992	19,992
Total non-current liabilities	<u>184,207</u>	<u>178,428</u>
<b>Capital and reserves</b>		
Share capital	93,875	92,973
Capital reserves	2,133	1,867
Accumulated profits	231,325	221,727
Total equity	<u>327,333</u>	<u>316,567</u>
<b>Total liabilities and equity</b>	<u><u>723,516</u></u>	<u><u>697,171</u></u>

## 3 AGGREGATE AMOUNT OF BORROWINGS

	<u>30 Sep 2011</u>	<u>31 Dec 2010</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Unsecured</b>		
Amount repayable after one year	<u>100,000</u>	<u>100,000</u>

### Details of any collateral

Not applicable.

#### 4 CASH FLOW STATEMENT

	3rd Qtr 2011 \$'000	3rd Qtr 2010 \$'000	9 Months 2011 \$'000	9 Months 2010 \$'000
<b>Operating activities</b>				
Profit before taxation	12,909	15,864	39,055	52,568
Adjustments for:				
Depreciation expense	12,249	12,054	34,989	35,235
Fuel price equalisation account	-	-	-	5,909
Finance costs	450	49	1,295	80
Share-based payment expense	-	-	-	182
Gain on disposal of available-for-sale investments	-	-	-	(30)
Net gain on disposal of vehicles and equipment	(204)	(144)	(1,014)	(439)
Interest income	(124)	(111)	(409)	(388)
Share of profit in associate	-	-	-	(144)
Operating cash flows before movements in working capital	25,280	27,712	73,916	92,973
Changes in working capital	12,032	(11,528)	19,175	(41,915)
Cash generated from operations	37,312	16,184	93,091	51,058
Income tax paid	(34)	(15)	(79)	(831)
Net cash from operating activities	37,278	16,169	93,012	50,227
<b>Investing activities</b>				
Interest received	15	-	321	430
Proceeds from disposal of:				
Vehicles and equipment	212	150	1,027	975
Available-for-sale investments	-	-	-	5,030
Investment in associate	-	-	-	1,731
Purchase of vehicles, premises and equipment	(46,662)	(9,722)	(127,971)	(72,212)
Net cash used in investing activities	(46,435)	(9,572)	(126,623)	(64,046)
<b>Financing activities</b>				
Short term loans raised	-	6,500	-	38,000
Proceeds from share issue	123	313	828	313
Interest paid	-	(38)	(972)	(74)
Dividends paid	(9,566)	(13,856)	(22,834)	(27,088)
Others	23	1	69	7
Net cash (used in) from financing activities	(9,420)	(7,080)	(22,909)	11,158
Net decrease in cash and cash equivalents	(18,577)	(483)	(56,520)	(2,661)
Cash and cash equivalents at beginning of period	29,120	3,879	67,063	6,057
<b>Cash and cash equivalents at end of period</b>	<b>10,543</b>	<b>3,396</b>	<b>10,543</b>	<b>3,396</b>

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

## 5 COMPREHENSIVE INCOME STATEMENT

	3rd Qtr 2011 \$'000	3rd Qtr 2010 \$'000	Incr/ (Decr) %	9 Months 2011 \$'000	9 Months 2010 \$'000	Incr/ (Decr) %
<b>Profit attributable to Shareholders</b>	10,660	12,746	(16.4)	32,279	44,009	(26.7)
Fair value gain on available- for-sale investments	209	173	20.8	424	820	(48.3)
<b>Total comprehensive income attributable to Shareholders</b>	<u>10,869</u>	<u>12,919</u>	<u>(15.9)</u>	<u>32,703</u>	<u>44,829</u>	<u>(27.0)</u>

## 6 STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and 9 Months ended 30 September 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 period	-	647	31,263	31,910
Recognition of share-based payments	-	182	-	182
Payment of dividends	-	-	(13,232)	(13,232)
Others	-	(84)	90	6
<b>Balance at 30 June 2010</b>	<u>92,310</u>	<u>2,136</u>	<u>212,521</u>	<u>306,967</u>
Total comprehensive income for the period	-	173	12,746	12,919
Exercise of share options	339	(26)	-	313
Payment of dividends	-	-	(13,856)	(13,856)
Others	-	(6)	7	1
<b>Balance at 30 September 2010</b>	<u>92,649</u>	<u>2,277</u>	<u>211,418</u>	<u>306,344</u>
<b>Balance at 1 January 2011</b>	92,973	1,867	221,727	316,567
Total comprehensive income for the period	-	215	21,619	21,834
Exercise of share options	768	(63)	-	705
Payment of dividends	-	-	(13,268)	(13,268)
Others	-	(9)	55	46
<b>Balance at 30 June 2011</b>	<u>93,741</u>	<u>2,010</u>	<u>230,133</u>	<u>325,884</u>
Total comprehensive income for the period	-	209	10,660	10,869
Exercise of share options	134	(11)	-	123
Payment of dividends	-	-	(9,566)	(9,566)
Others	-	(75)	98	23
<b>Balance at 30 September 2011</b>	<u>93,875</u>	<u>2,133</u>	<u>231,325</u>	<u>327,333</u>

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

During the quarter, 77,500 new ordinary shares were issued by the Company upon the exercise of options granted under the SBS Transit Share Option Scheme.

As at 30 September 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 30 September 2011, there were unexercised options for 8,842,750 (30 September 2010: 10,683,000) of unissued ordinary shares under the SBS Transit Share Option Scheme.

## 8 AUDIT

Not applicable.

## 9 AUDITORS' REPORT

Not applicable.

## 10 ACCOUNTING POLICIES

The 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>3rd Qtr 2011</u>	<u>3rd Qtr 2010</u>	<u>9 Months 2011</u>	<u>9 Months 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	3.45 cents	4.14 cents	10.46 cents	14.30 cents
(ii) On a fully diluted basis	3.45 cents	4.14 cents	10.45 cents	14.28 cents

### EBITDA

	<u>3rd Qtr 2011</u>	<u>3rd Qtr 2010</u>	<u>9 Months 2011</u>	<u>9 Months 2010</u>
(i) EBITDA (\$'000)	25,484	27,856	74,930	87,321
(ii) EBITDA margin (%)	13.2	15.1	13.3	16.2

### 13 NET ASSET VALUE PER ORDINARY SHARE

	<u>30 Sep 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 \$192.4m for 3Q11 increased by 4.1% or \$7.5m from \$184.9m in 3Q10 while operating expenses of \$179.2m increased by 6.0% or \$10.1m from \$169.1m in 3Q10.

Operating profit of \$13.2m for 3Q11 was 16.2% or \$2.6m lower than that of \$15.8m in 3Q10.

Net income from investments of \$0.1m for 3Q11 was 11.7% higher than 3Q10.

Finance costs of \$0.4m for 3Q11 was due to the issuance of the \$100.0m Medium-Term-Notes in 4Q10.

Consequently, profit before tax for 3Q11 of \$12.9m was 18.6% or \$3.0m lower than that of \$15.9m in 3Q10.

Taxation for 3Q11 of \$2.2m was lower by 27.9% or \$0.9m due to lower profits generated in 3Q11.

Profit attributable to Shareholders of the Company for 3Q11 of \$10.7m was 16.4% or \$2.0m lower than that of \$12.7m in 3Q10.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Bus Operations for 3Q11 at \$145.1m was higher by 3.5% or \$5.0m due to the increase in average daily ridership of 5.9% offset by lower average fare as compared to 3Q10. For 3Q11, Bus Operations incurred a marginal operating loss of \$42k as compared to an operating profit of \$3.0m in 3Q10 due mainly to higher fuel cost and higher staff costs, offset by higher bus fare revenue, lower premises costs and lower other operating expenses.

Revenue from Rail Operations for 3Q11 at \$34.5m increased by 11.5% or \$3.6m from \$30.9m in 3Q10. Average daily ridership for the North-East Line and the two light rail transit systems went up by 10.4% and 14.6% respectively as compared to 3Q10. Operating profit for 3Q11 of \$5.0m was better by 20.9% or \$0.9m as compared to \$4.1m in 3Q10 due to higher rail fare revenue, offset by higher electricity cost.

Revenue from Advertisement Business for 3Q11 decreased by 11.2% or \$1.1m to \$9.1m as compared to 3Q10 due to the decrease in panel advertising sales. Operating profit for 3Q11 of \$5.6m decreased by 6.9% or \$0.4m as compared to 3Q10 due to lower bus advertisements revenue.

Revenue from Rental Business for 3Q11 increased by 3.9% or \$0.1m to \$3.7m as compared to 3Q10 due to higher income from roadshows at the interchanges. Operating profit for 3Q11 increased marginally by 1.0% to \$2.7m as compared to 3Q10.

## **Statement of Financial Position**

As at 30 September 2011, total equity increased by 3.4% or \$10.8m to \$327.3m as compared to 31 December 2010 due to the profits generated from operations, partially offset by payment of dividends.

Total assets increased by 3.8% or \$26.3m to \$723.5m due to an increase in non-current assets of \$93.5m, partially offset by the decrease in current assets of \$67.2m. 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 4.1% or \$15.6m to \$396.2m due to an increase in current liabilities of \$9.8m and non-current liabilities of \$5.8m. 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. The increase in non-current liabilities was due mainly to the increase in deferred tax liabilities.

## **Cash Flow**

Net cash outflow of \$18.6m for 3Q11 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 September 2011 was \$10.5m. If the available-for-sale investments were included, the cash position as at 30 September 2011 would be \$21.8m.

## **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**

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 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
<b><u>3rd Quarter 2011</u></b>					
Revenue	145,147	34,488	9,060	3,696	192,391
<b><u>Results</u></b>					
Segment results	(42)	4,975	5,635	2,667	13,235
Net income from investments					124
Finance costs					(450)
Profit before taxation					12,909
Taxation					(2,249)
Profit after taxation					<u>10,660</u>
<b><u>3rd Quarter 2010</u></b>					
Revenue	140,181	30,926	10,200	3,557	184,864
<b><u>Results</u></b>					
Segment results	2,993	4,115	6,053	2,641	15,802
Net income from investments					111
Finance costs					(49)
Profit before taxation					15,864
Taxation					(3,118)
Profit after taxation					<u>12,746</u>
<b><u>9 Months 2011</u></b>					
Revenue	423,410	100,308	27,538	10,732	561,988
<b><u>Results</u></b>					
Segment results	(1,022)	15,948	17,260	7,755	39,941
Net income from investments					409
Finance costs					(1,295)
Profit before taxation					39,055
Taxation					(6,776)
Profit after taxation					<u>32,279</u>
<b><u>9 Months 2010</u></b>					
Revenue	412,901	89,637	26,520	10,270	539,328
<b><u>Results</u></b>					
Segment results	14,583	13,604	16,319	7,580	52,086
Net income from investments					418
Finance costs					(80)
Share of profit in associate					144
Profit before taxation					52,568
Taxation					(8,559)
Profit after taxation					<u>44,009</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 Third 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 November 2011