

The Board of Directors announces the audited results for the year ended 31 December 2012.

1 GROUP INCOME STATEMENT

(i)

	Group		
	Full Year	Full Year	Incr/ (Decr)
	2012	2011	%
	\$'000	\$'000	
<b>Revenue</b>	792,277	751,106	5.5
Staff costs	340,343	305,525	11.4
Repairs and maintenance	97,301	90,499	7.5
Fuel and electricity costs	177,148	171,397	3.4
Premises costs	31,454	28,442	10.6
Depreciation expense	57,031	47,692	19.6
Other operating expenses	63,582	61,862	2.8
Total operating expenses	<u>766,859</u>	<u>705,417</u>	<u>8.7</u>
<b>Operating profit</b>	25,418	45,689	(44.4)
Net income from investments	473	521	(9.2)
Finance costs	(2,841)	(1,701)	67.0
<b>Profit before taxation</b>	<u>23,050</u>	<u>44,509</u>	<u>(48.2)</u>
Taxation	(4,493)	(7,833)	(42.6)
<b>Profit attributable to Shareholders</b>	<u><u>18,557</u></u>	<u><u>36,676</u></u>	<u><u>(49.4)</u></u>

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

	Group		
	Full Year	Full Year	Incr/ (Decr)
	2012	2011	%
	\$'000	\$'000	
<u>After crediting :-</u>			
Net gain on disposal of vehicles and equipment	1,514	2,165	(30.1)

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Short-term deposits and bank balances	18,247	5,540	18,111	5,540
Trade receivables	7,817	10,385	7,817	10,385
Other receivables and prepayments	33,843	11,501	38,996	11,501
Inventories	33,402	30,347	33,402	30,347
Total current assets	93,309	57,773	98,326	57,773
<b>Non-current assets</b>				
Subsidiary	-	-	100	-
Available-for-sale investments	11,021	11,105	11,021	11,105
Prepayments	41,518	17,927	41,518	17,927
Vehicles, premises and equipment	784,252	662,223	784,001	662,223
Total non-current assets	836,791	691,255	836,640	691,255
<b>Total assets</b>	<b>930,100</b>	<b>749,028</b>	<b>934,966</b>	<b>749,028</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Borrowings	1,253	28,500	1,253	28,500
Trade and other payables	131,499	120,675	130,246	120,675
Trade payables for buses	26,879	20,099	26,879	20,099
Deposits received	2,180	2,286	2,180	2,286
Insurance premiums payable and provision for accident claims	31,039	32,938	31,039	32,938
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	69	1,462	69	1,462
Total current liabilities	212,911	225,952	211,658	225,952
<b>Non-current liabilities</b>				
Borrowings	276,911	100,000	276,911	100,000
Deferred grant income	5,495	4,246	5,495	4,246
Deposits received	3,701	2,984	3,701	2,984
Deferred tax liabilities	56,233	49,811	56,233	49,811
Provision for service benefits and long service awards	12,800	12,622	12,774	12,622
Fuel price equalisation account	19,992	19,992	19,992	19,992
Total non-current liabilities	375,132	189,655	375,106	189,655
<b>Capital and reserves</b>				
Share capital	93,875	93,875	93,875	93,875
Other reserves	6,522	3,814	6,522	3,814
Accumulated profits	241,660	235,732	247,805	235,732
Total equity	342,057	333,421	348,202	333,421
<b>Total liabilities and equity</b>	<b>930,100</b>	<b>749,028</b>	<b>934,966</b>	<b>749,028</b>

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

## 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	31 Dec	31 Dec
	2012	2011
	\$'000	\$'000
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	1,253	28,500
Amount repayable after one year	276,911	100,000
	278,164	128,500

### Details of any collateral

Not applicable.

#### 4 GROUP CASH FLOW STATEMENT

	Group	
	Full Year	Full Year
	2012	2011
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	23,050	44,509
Adjustments for:		
Depreciation expense	57,031	47,692
Finance costs	2,841	1,701
Net gain on disposal of vehicles and equipment	(1,514)	(2,165)
Interest income	(473)	(521)
Operating cash flows before movements in working capital	80,935	91,216
Changes in working capital	(2,349)	(6,174)
Cash generated from operations	78,586	85,042
Income tax paid	(67)	(77)
Net cash from operating activities	78,519	84,965
<b>Investing activities</b>		
Interest received	471	544
Proceeds from disposal of vehicles and equipment	1,817	2,188
Purchase of vehicles, premises and equipment	(202,721)	(153,843)
Net cash used in investing activities	(200,433)	(151,111)
<b>Financing activities</b>		
New loans raised	28,432	28,500
Repayment of loans	(28,768)	-
Proceeds from share issue	-	829
Proceeds from long-term loans	150,000	-
Interest paid	(2,263)	(1,950)
Dividends paid	(12,808)	(22,834)
Others	28	78
Net cash from financing activities	134,621	4,623
Net increase (decrease) in cash and cash equivalents	12,707	(61,523)
Cash and cash equivalents at beginning of year	5,540	67,063
<b>Cash and cash equivalents at end of year</b>	<b>18,247</b>	<b>5,540</b>

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

#### 5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		
	Full Year	Full Year	Incr/ (Decr)
	2012	2011	%
	\$'000	\$'000	
<b>Profit attributable to Shareholders</b>	18,557	36,676	(49.4)
Fair value adjustment on cash flow hedges	2,944	485	507.0
Fair value adjustment on available-for-sale investments	(85)	315	NM
<b>Total comprehensive income attributable to Shareholders</b>	<b>21,416</b>	<b>37,476</b>	<b>(42.9)</b>

NM - Not meaningful

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

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2012:

	<b>Group</b>			
	<b>Attributable to Shareholders of the Company</b>			
	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2011</b>	92,973	3,172	221,727	317,872
Total comprehensive income for the year	-	800	36,676	37,476
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>	<b>93,875</b>	<b>3,814</b>	<b>235,732</b>	<b>333,421</b>
Total comprehensive income for the year	-	2,859	18,557	21,416
Payment of dividends	-	-	(12,808)	(12,808)
Others	-	(151)	179	28
<b>Balance at 31 December 2012</b>	<b>93,875</b>	<b>6,522</b>	<b>241,660</b>	<b>342,057</b>

Statement of Changes in Equity of the Company for the year ended 31 December 2012:

	<b>Company</b>			
	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2011</b>	92,973	3,172	221,727	317,872
Total comprehensive income for the year	-	800	36,676	37,476
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>	<b>93,875</b>	<b>3,814</b>	<b>235,732</b>	<b>333,421</b>
Total comprehensive income for the year	-	2,859	24,702	27,561
Payment of dividends	-	-	(12,808)	(12,808)
Others	-	(151)	179	28
<b>Balance at 31 December 2012</b>	<b>93,875</b>	<b>6,522</b>	<b>247,805</b>	<b>348,202</b>

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

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

Since 30 September 2012, no new ordinary shares were issued by the Company.

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

As at 31 December 2012, the Company does not hold any treasury shares.

### Outstanding Shares - SBS Transit Share Option Scheme

As at 31 December 2012, there were unexercised options for 7,306,250 (31 December 2011: 8,723,750) 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") and its subsidiary (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 December 2012, and the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity 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 accounts and balance sheets 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 about 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 consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company 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 Group and of the Company as at 31 December 2012 and of the results, changes in equity and cash flows of the Group and changes in equity 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 and by the subsidiary incorporated in Singapore of which we are the auditors 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  
7 February 2013

## 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 year, 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	
	Full Year 2012	Full Year 2011
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 (cents)	6.01	11.89
(ii) On a fully diluted basis (cents)	6.01	11.87

### EBITDA

	Group	
	Full Year 2012	Full Year 2011
(i) EBITDA (\$'000)	82,449	93,381
(ii) EBITDA margin (%)	10.4	12.4

## 13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Net asset value per ordinary share based on issued share capital at the end of the year (dollars)	1.11	1.08	1.13	1.08

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

Group revenue of \$792.3m for 2012 increased by 5.5% or \$41.2m from \$751.1m in 2011 while Group operating expenses of \$766.9m increased by 8.7% or \$61.5m from \$705.4m in 2011.

Group operating profit of \$25.4m for 2012 was 44.4% or \$20.3m lower than that of \$45.7m in 2011.

Net income from investments of \$0.5m for 2012 was 9.2% lower than 2011.

Finance costs of \$2.8m for 2012 was 67.0% or \$1.1m higher than that of \$1.7m in 2011 due to the increase in borrowings.

Consequently, Group profit before tax for 2012 of \$23.1m was 48.2% or \$21.4m lower than that of \$44.5m in 2011.

Taxation for 2012 of \$4.5m was lower by 42.6% or \$3.3m due mainly to lower profits in 2012.

Group profit attributable to Shareholders of the Company for 2012 of \$18.6m was 49.4% or \$18.1m lower than that of \$36.7m in 2011.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Bus Operations for 2012 at \$600.9m was higher by 6.2% or \$34.8m due to the increase in average daily ridership of 3.1% and an increase in other operating income. Operating loss for 2012 of \$14.7m increased by \$8.7m from \$6.0m in last year due mainly to higher staff costs, higher depreciation, higher repairs and maintenance costs and higher fuel cost, offset by higher bus revenue.

Revenue from Rail Operations for 2012 at \$138.6m increased by 3.1% or \$4.1m from \$134.5m in last year 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 6.0% and 17.8% respectively as compared to 2011. Operating profit for 2012 of \$4.9m decreased by 74.9% or \$14.7m as compared to \$19.6m for last year due mainly to higher staff costs largely from the start up of the Downtown Line, higher repairs and maintenance costs, higher electricity cost, higher premises costs and higher other operating expenses, offset by higher rail fare revenue.

Revenue from Advertisement Business for 2012 increased by 1.6% or \$0.6m to \$36.8m as compared to \$36.2m for last year due mainly to the increase in panel advertising sales. Operating profit for 2012 of \$23.5m increased by 7.9% or \$1.7m as compared to \$21.8m for last year due mainly to higher advertising revenue and lower staff costs.

Revenue from Rental Business for 2012 increased by 11.2% or \$1.6m to \$16.0m as compared to \$14.4m for last year due mainly to higher income from shop space and roadshows. Consequently, operating profit for 2012 of \$11.8m increased by 14.0% or \$1.4m as compared to \$10.4m last year.

### Statement of Financial Position

As at 31 December 2012, total equity for the Group increased by 2.6% or \$8.6m to \$342.1m as compared to 31 December 2011 due mainly to the profits generated from operations and higher fair value gain on cash flow hedges, partially offset by payment of dividends.

Group total assets increased by 24.2% or \$181.0m to \$930.1m due to an increase in non-current assets of \$145.5m and current assets of \$35.5m. The increase in non-current assets was due mainly to the purchase of buses. The increase in current assets was due mainly to the increase in other receivables and short-term deposits.

Group total liabilities increased by 41.5% or \$172.4m to \$588.0m due to an increase in non-current liabilities of \$185.5m, partially offset by a decrease in current liabilities of \$13.1m. The increase in non-current liabilities was due mainly to an additional Medium-Term-Note (MTN) raised, loans from external party and an increase in deferred tax liabilities. The decrease in current liabilities was due mainly to the repayment of loans, partially offset by the increase in trade and other payables.

### Cash Flow

Net cash inflow of \$12.7m for 2012 was mainly from the proceeds from the MTN, net cash generated from operations and new loans raised, partially offset by the purchase of buses, repayment of loans and payment of dividends.

As at 31 December 2012, the Group had cash and short-term deposits of \$18.3m. After accounting for the borrowings of \$278.2m, the Group had a net debt position of \$259.9m and a net gearing ratio of 76.0% which was higher than that of 36.9% as at 31 December 2011. The Group's gross gearing ratio was 81.3% as at 31 December 2012 compared to 38.5% as at 31 December 2011.

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

No forecast or prospect statement has been previously disclosed.

**16 GROUP OUTLOOK**

On the back of weaker economic growth, Bus and Rail riderships are expected to increase at slower rates. Advertising and Rental revenues are expected to be maintained.

Staff costs are expected to be higher due to headcount increase, 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 challenging.

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

**17 DIVIDEND**

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

The Directors are pleased to propose a tax-exempt one-tier final dividend of 1.65 cents (2011: 2.80 cents) per ordinary share.

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	1.65 cents
Tax Rate	Exempt one-tier

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

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

**(c) Date Payable**

The proposed final dividend, if approved by the Shareholders at the Twentieth Annual General Meeting of the Company to be held on 25 April 2013, will be payable on 14 May 2013.

**(d) Books Closure Date**

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 7 May 2013 for the purposes of determining Shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, up to 5.00pm on 6 May 2013 will be registered to determine Shareholders' entitlements to the final dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00pm on 6 May 2013 will be entitled to the proposed final dividend.



18 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>		
<b>Full Year 2012</b>					
Revenue	600,936	138,607	36,754	15,980	792,277
<b>Results</b>					
Segment results	(14,738)	4,926	23,467	11,763	25,418
Net income from investments					473
Finance costs					(2,841)
Profit before taxation					23,050
Taxation					(4,493)
Profit after taxation					18,557

**Full Year 2011**

Revenue	566,093	134,456	36,189	14,368	751,106
<b>Results</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					36,676

19 BREAKDOWN OF REVENUE

	<u>Full Year</u>	<u>Full Year</u>	<u>Incr/</u>
	<u>2012</u>	<u>2011</u>	<u>(Decr)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
(a) Revenue reported for first half year	387,489	369,597	4.8
(b) Operating profit after tax before deducting minority interests reported for first half year	9,388	21,619	(56.6)
(c) Revenue reported for second half year	404,788	381,509	6.1
(d) Operating profit after tax before deducting minority interests reported for second half year	9,169	15,057	(39.1)

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

	<b>Full Year 2012 \$'000</b>	<b>Full Year 2011 \$'000</b>
Ordinary shares (tax-exempt one-tier)		
- Interim	4,166	9,566
- Final (proposed)	5,092	8,642
<b>Total</b>	<b>9,258</b>	<b>18,208</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 2012, 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**

Chan Wan Tak, Wendy  
Company Secretary

7 February 2013