

**Third Quarter 2012 Financial Statements**

The Board of Directors announces the unaudited results for the Third Quarter and 9 Months ended 30 September 2012.

**1 GROUP INCOME STATEMENT**

(i)

	Group					
	3rd Qtr 2012	3rd Qtr 2011	Incr/ (Decr)	9 Months 2012	9 Months 2011	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	203,803	192,391	5.9	591,292	561,988	5.2
Staff costs	87,742	76,680	14.4	251,629	228,325	10.2
Repairs and maintenance	24,701	23,125	6.8	72,116	66,899	7.8
Fuel and electricity costs	43,628	44,941	(2.9)	134,345	126,326	6.3
Premises costs	7,733	7,104	8.9	23,204	19,912	16.5
Depreciation expense	14,536	12,249	18.7	41,748	34,989	19.3
Other operating expenses	16,706	15,057	11.0	47,567	45,596	4.3
<b>Total operating expenses</b>	<u>195,046</u>	<u>179,156</u>	<u>8.9</u>	<u>570,609</u>	<u>522,047</u>	<u>9.3</u>
<b>Operating profit</b>	8,757	13,235	(33.8)	20,683	39,941	(48.2)
Net income from investments	117	124	(5.6)	337	409	(17.6)
Finance costs	(702)	(450)	56.0	(1,731)	(1,295)	33.7
<b>Profit before taxation</b>	<u>8,172</u>	<u>12,909</u>	<u>(36.7)</u>	<u>19,289</u>	<u>39,055</u>	<u>(50.6)</u>
Taxation	(1,873)	(2,249)	(16.7)	(3,602)	(6,776)	(46.8)
<b>Profit attributable to Shareholders</b>	<u><u>6,299</u></u>	<u><u>10,660</u></u>	<u><u>(40.9)</u></u>	<u><u>15,687</u></u>	<u><u>32,279</u></u>	<u><u>(51.4)</u></u>

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					
	3rd Qtr 2012	3rd Qtr 2011	Incr/ (Decr)	9 Months 2012	9 Months 2011	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After crediting :-</u>						
Net gain on disposal of vehicles and equipment	364	204	78.4	1,290	1,014	27.2

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep	31 Dec	30 Sep	31 Dec
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Short-term deposits and bank balances	22,473	5,540	22,348	5,540
Trade receivables	12,110	10,385	12,110	10,385
Other receivables and prepayments	33,279	11,501	36,107	11,501
Inventories	32,761	30,347	32,761	30,347
Total current assets	100,623	57,773	103,326	57,773
<b>Non-current assets</b>				
Subsidiary	-	-	100	-
Available-for-sale investments	11,002	11,105	11,002	11,105
Prepayments	45,741	17,927	45,706	17,927
Vehicles, premises and equipment	751,207	657,977	751,131	657,977
Total non-current assets	807,950	687,009	807,939	687,009
<b>Total assets</b>	<b>908,573</b>	<b>744,782</b>	<b>911,265</b>	<b>744,782</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Borrowings	19,000	28,500	19,000	28,500
Trade and other payables	141,617	122,831	140,853	122,831
Trade payables for buses	19,376	20,099	19,376	20,099
Deposits received	2,215	2,286	2,215	2,286
Insurance premiums payable and provision for accident claims	31,150	32,938	31,150	32,938
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	61	1,462	61	1,462
Total current liabilities	233,411	228,108	232,647	228,108
<b>Non-current liabilities</b>				
Borrowings	250,000	100,000	250,000	100,000
Deposits received	3,633	2,984	3,633	2,984
Deferred tax liabilities	54,391	49,445	54,391	49,445
Provision for service benefits and long service awards	12,711	12,622	12,695	12,622
Fuel price equalisation account	19,992	19,992	19,992	19,992
Total non-current liabilities	340,727	185,043	340,711	185,043
<b>Capital and reserves</b>				
Share capital	93,875	93,875	93,875	93,875
Capital reserves	1,835	2,024	1,835	2,024
Accumulated profits	238,725	235,732	242,197	235,732
Total equity	334,435	331,631	337,907	331,631
<b>Total liabilities and equity</b>	<b>908,573</b>	<b>744,782</b>	<b>911,265</b>	<b>744,782</b>

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

## 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	30 Sep	31 Dec
	2012	2011
	\$'000	\$'000
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	19,000	28,500
Amount repayable after one year	250,000	100,000
	269,000	128,500

### Details of any collateral

Not applicable.

#### 4 GROUP CASH FLOW STATEMENT

	Group			
	3rd Qtr	3rd Qtr	9 Months	9 Months
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
Profit before taxation	8,172	12,909	19,289	39,055
Adjustments for:				
Depreciation expense	14,536	12,249	41,748	34,989
Finance costs	702	450	1,731	1,295
Net gain on disposal of vehicles and equipment	(364)	(204)	(1,290)	(1,014)
Interest income	(117)	(124)	(337)	(409)
Operating cash flows before movements in working capital	22,929	25,280	61,141	73,916
Changes in working capital	(26,098)	6,058	(9,507)	5,150
Cash (used in) generated from operations	(3,169)	31,338	51,634	79,066
Income tax paid	(23)	(34)	(57)	(79)
Net cash (used in) from operating activities	(3,192)	31,304	51,577	78,987
<b>Investing activities</b>				
Interest received	2	15	223	321
Proceeds from disposal of vehicles and equipment	365	212	1,314	1,027
Purchase of vehicles, premises and equipment	(26,547)	(40,688)	(162,663)	(113,946)
Net cash used in investing activities	(26,180)	(40,461)	(161,126)	(112,598)
<b>Financing activities</b>				
Short term loans repayment	(98,700)	-	(9,500)	-
Proceeds from share issue	-	123	-	828
Proceeds from long-term loans	150,000	-	150,000	-
Interest paid	(188)	-	(1,238)	(972)
Dividends paid	(4,166)	(9,566)	(12,808)	(22,834)
Others	28	23	28	69
Net cash from (used in) financing activities	46,974	(9,420)	126,482	(22,909)
Net increase (decrease) in cash and cash equivalents	17,602	(18,577)	16,933	(56,520)
Cash and cash equivalents at beginning of period	4,871	29,120	5,540	67,063
<b>Cash and cash equivalents at end of period</b>	<b>22,473</b>	<b>10,543</b>	<b>22,473</b>	<b>10,543</b>

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

#### 5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group					
	3rd Qtr	3rd Qtr	Incr/ (Decr)	9 Months	9 Months	Incr/ (Decr)
	2012	2011	%	2012	2011	%
	\$'000	\$'000		\$'000	\$'000	
<b>Profit attributable to Shareholders</b>	6,299	10,660	(40.9)	15,687	32,279	(51.4)
Fair value adjustment on available-for-sale investments	(25)	209	NM	(103)	424	NM
<b>Total comprehensive income attributable to Shareholders</b>	<b>6,274</b>	<b>10,869</b>	<b>(42.3)</b>	<b>15,584</b>	<b>32,703</b>	<b>(52.3)</b>

NM - Not meaningful

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and 9 Months ended 30 September 2012:

	<b>Group</b>			
	<b>Attributable to Shareholders of the Company</b>			
	<b>Share capital \$'000</b>	<b>Capital reserves \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2012</b>	93,875	2,024	235,732	331,631
Total comprehensive income (expense) for the period	-	(78)	9,388	9,310
Payment of dividends	-	-	(8,642)	(8,642)
Others	-	(74)	74	-
<b>Balance at 30 June 2012</b>	93,875	1,872	236,552	332,299
Total comprehensive income (expense) for the period	-	(25)	6,299	6,274
Payment of dividends	-	-	(4,166)	(4,166)
Others	-	(12)	40	28
<b>Balance at 30 September 2012</b>	93,875	1,835	238,725	334,435
<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>	93,741	2,010	230,133	325,884
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>	93,875	2,133	231,325	327,333

Statement of Changes in Equity of the Company for the Third Quarter and 9 Months ended 30 September 2012:

	<b>Company</b>			
	<b>Share capital \$'000</b>	<b>Capital reserves \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
	<b>Balance at 1 January 2012</b>	93,875	2,024	235,732
Total comprehensive income (expense) for the period	-	(78)	10,935	10,857
Payment of dividends	-	-	(8,642)	(8,642)
Others	-	(74)	74	-
<b>Balance at 30 June 2012</b>	93,875	1,872	238,099	333,846
Total comprehensive income (expense) for the period	-	(25)	8,224	8,199
Payment of dividends	-	-	(4,166)	(4,166)
Others	-	(12)	40	28
<b>Balance at 30 September 2012</b>	93,875	1,835	242,197	337,907
<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>	93,741	2,010	230,133	325,884
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>	93,875	2,133	231,325	327,333

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

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

As at 30 September 2012, the total number of issued shares was 308,629,766 (31 December 2011: 308,629,766).

As at 30 September 2012, the Company does not hold any treasury shares.

### Outstanding Shares - SBS Transit Share Option Scheme

As at 30 September 2012, there were unexercised options for 8,061,250 (30 September 2011: 8,842,750) of unissued ordinary shares under the SBS Transit Share Option Scheme.

## 8 AUDIT

The financial statements have not been audited or reviewed.

## 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			
	3rd Qtr 2012	3rd Qtr 2011	9 Months 2012	9 Months 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 (cents)	2.04	3.45	5.08	10.46
(ii) On a fully diluted basis (cents)	2.04	3.45	5.08	10.45

### EBITDA

	Group			
	3rd Qtr 2012	3rd Qtr 2011	9 Months 2012	9 Months 2011
(i) EBITDA (\$'000)	23,293	25,484	62,431	74,930
(ii) EBITDA margin (%)	11.4	13.2	10.6	13.3

### 13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Sep 2012	31 Dec 2011	30 Sep 2012	31 Dec 2011
Net asset value per ordinary share based on issued share capital at the end of the period/year (dollars)	1.08	1.07	1.09	1.07

### 14 REVIEW OF GROUP PERFORMANCE

#### Performance Review

Group revenue of \$203.8m for 3Q12 increased by 5.9% or \$11.4m from \$192.4m in 3Q11 while Group operating expenses of \$195.0m increased by 8.9% or \$15.8m from \$179.2m in 3Q11.

Group operating profit of \$8.8m for 3Q12 was 33.8% or \$4.4m lower than that of \$13.2m in 3Q11.

Net income from investments of \$0.1m for 3Q12 was 5.6% lower than 3Q11.

Finance costs of \$0.7m for 3Q12 was 56.0% or \$0.2m higher than that of \$0.5m in 3Q11 due to the increase in borrowings.

Consequently, Group profit before tax for 3Q12 of \$8.2m was 36.7% or \$4.7m lower than that of \$12.9m in 3Q11.

Taxation for 3Q12 of \$1.9m was lower by 16.7% or \$0.4m due mainly to the lower profits in 3Q12.

Group profit attributable to Shareholders of the Company for 3Q12 of \$6.3m was 40.9% or \$4.4m lower than that of \$10.7m in 3Q11.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Bus Operations for 3Q12 at \$154.1m was higher by 6.2% or \$9.0m compared to 3Q11 due to the increase in average daily ridership of 2.3% offset by lower average fare, and an increase in other operating income. In spite of the increase in revenue, Bus Operations continued to incur an operating loss for 3Q12 which increased to \$1.8m from that of \$42k in 3Q11. The loss was due mainly to higher staff costs, higher depreciation, higher repairs and maintenance costs, offset by higher bus revenue and lower fuel cost.

Revenue from Rail Operations for 3Q12 at \$35.0m was higher by 1.6% or \$0.5m compared to 3Q11 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 5.3% and 17.3% respectively as compared to 3Q11. Operating profit for 3Q12 of \$0.4m decreased by 92.5% or \$4.6m as compared to \$5.0m in 3Q11 due mainly to higher staff costs largely from the start up of the Downtown Line, higher repairs and maintenance costs and higher other operating expenses.

Revenue from Advertisement Business for 3Q12 increased by 13.6% or \$1.2m to \$10.3m as compared to 3Q11 due mainly to the increase in panel advertising sales. Consequently, operating profit for 3Q12 of \$6.9m increased by 22.6% or \$1.3m as compared to 3Q11.

Revenue from Rental Business for 3Q12 increased by 18.3% or \$0.7m to \$4.4m as compared to 3Q11 due to higher income from shop space and roadshows at the interchanges. Consequently, operating profit for 3Q12 increased by 24.3% or \$0.6m to \$3.3m as compared to 3Q11.

#### Statement of Financial Position

As at 30 September 2012, total equity for the Group increased by 0.8% or \$2.8m to \$334.4m as compared to 31 December 2011 due mainly to the profits generated from operations, partially offset by payment of dividends.

Group total assets increased by 22.0% or \$163.8m to \$908.6m due to an increase in non-current assets of \$120.9m and current assets of \$42.9m. 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 39.0% or \$161.0m to \$574.1m due to an increase in non-current liabilities of \$155.7m and current liabilities of \$5.3m. The increase in non-current liabilities was due mainly to an additional Medium-Term-Note (MTN) raised and increase in deferred tax liabilities. The increase in current liabilities was due mainly to the increase in trade and other payables, partially offset by the repayment of borrowings from banks and the decrease in insurance premiums payable and provision for accident claims.

## **Cash Flow**

Net cash inflow of \$17.6m for 3Q12 was mainly from the proceeds from the MTN, partially offset by the repayment of borrowings from banks, purchase of buses, payment of dividends and the net cash used in operations.

Group cash and cash equivalents as at 30 September 2012 was \$22.5m. If the available-for-sale investments were included, the cash position as at 30 September 2012 would be \$33.5m.

## **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 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-</u> <u>ments</u>	<u>Rental</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>3rd Quarter 2012</u></b>					
Revenue	154,097	35,037	10,296	4,373	203,803
<b><u>Results</u></b>					
Segment results	(1,836)	371	6,908	3,314	8,757
Net income from investments					117
Finance costs					(702)
Profit before taxation					8,172
Taxation					(1,873)
Profit after taxation					<u>6,299</u>
<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>9 Months 2012</u></b>					
Revenue	448,197	103,275	28,379	11,441	591,292
<b><u>Results</u></b>					
Segment results	(10,356)	4,114	18,643	8,282	20,683
Net income from investments					337
Finance costs					(1,731)
Profit before taxation					19,289
Taxation					(3,602)
Profit after taxation					<u>15,687</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>



**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 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**

Chan Wan Tak, Wendy  
Company Secretary

9 November 2012