SBS TRANSIT LTD

Company Registration No: 199206653M

Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2009

The Board of Directors announces the audited results of the Group for the year ended 31 December 2009.

1 GROUP INCOME STATEMENT

	Group		
	Full Year 2009	**Full Year 2008**	**Incr/ (Decr)**
	$'000	**$'000**	**%**
Revenue	697,083	731,330	(4.7)
Staff costs	(289,113)	(287,743)	0.5
Repairs and maintenance	(96,420)	(92,609)	4.1
Fuel and electricity costs	(121,401)	(184,114)	(34.1)
Premises costs	(30,356)	(30,744)	(1.3)
Depreciation expense	(40,483)	(31,515)	28.5
Other operating expenses	(57,107)	(57,524)	(0.7)
Total operating expenses	(634,880)	(684,249)	(7.2)
Operating profit	62,203	47,081	32.1
Net income from investments	808	2,896	(72.1)
Share of profit in associate	319	304	4.9
Profit before taxation	63,330	50,281	26.0
Taxation	(8,718)	(9,701)	(10.1)
Profit attributable to shareholders	54,612	40,580	34.6

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

2 STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	$'000	$'000	$'000	$'000
ASSETS				
Current assets				
Short-term deposits and bank balances	6,057	32,853	6,057	32,853
Held-for-trading investments	-	32,004	-	32,004
Available-for-sale investments	-	5,018	-	5,018
Trade receivables	8,481	6,964	8,481	6,964
Other receivables and prepayments	32,191	30,508	32,191	30,508
Inventories	30,598	26,812	30,598	26,812
Total current assets	77,327	134,159	77,327	134,159
Non-current assets				
Associate	1,587	1,268	1,280	1,280
Available-for-sale investments	15,320	14,480	15,320	14,480
Vehicles, premises and equipment	491,704	366,555	491,704	366,555
Total non-current assets	508,611	382,303	508,304	382,315
Total assets	585,938	516,462	585,631	516,474
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	135,272	102,200	135,272	102,200
Trade payables for buses	43,315	47,865	43,315	47,865
Deposits received - current portion	1,549	1,668	1,549	1,668
Insurance premiums payable and provision for accident claims	35,321	33,423	35,321	33,423
Income tax payable	2,627	2,973	2,627	2,973
Total current liabilities	218,084	188,129	218,084	188,129
Non-current liabilities				
Deposits received	2,397	1,763	2,397	1,763
Deferred tax liabilities	30,772	23,010	30,772	23,010
Provision for service benefits and long service awards	12,509	12,237	12,509	12,237
Fuel price equalisation account	34,075	34,075	34,075	34,075
Total non-current liabilities	79,753	71,085	79,753	71,085
Capital and reserves				
Share capital	92,310	92,310	92,310	92,310
Capital reserves	1,391	263	1,391	263
Accumulated profits	194,400	164,675	194,093	164,687
Total equity	288,101	257,248	287,794	257,260
Total liabilities and equity	585,938	516,462	585,631	516,474

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

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

Not applicable.

Details of any collateral

Not applicable.

4 GROUP CASH FLOW STATEMENT

	Group	
	Full Year 2009	Full Year 2008
	$'000	$'000
Operating activities		
Profit before taxation	63,330	50,281
Adjustments for:		
Depreciation expense	40,483	31,515
Share-based payment expense	319	291
Net loss (gain) on disposal of held-for-trading investments	5	(168)
Net gain on fair value changes of held-for-trading investments	(1)	(79)
Net gain on disposal of vehicles and equipment	(1,828)	(1,687)
Interest income	(812)	(2,649)
Share of profit in associate	(319)	(304)
Operating cash flows before movements in working capital	101,177	77,200
Changes in working capital	54,273	70,035
Cash generated from operations	155,450	147,235
Income tax paid	(1,302)	(12,006)
Net cash from operating activities	154,148	135,229
Investing activities		
Interest received	1,352	3,030
Proceeds from disposal of:		
Vehicles and equipment	1,866	1,771
Available-for-sale investments	5,000	15,000
Purchase of vehicles, premises and equipment	(164,262)	(146,667)
Net cash used in investing activities	(156,044)	(126,866)
Financing activities		
Proceeds from share issue	-	963
Dividends paid	(24,925)	(19,232)
Others	25	33
Net cash used in financing activities	(24,900)	(18,236)
Net decrease in cash and cash equivalents	(26,796)	(9,873)
Cash and cash equivalents at beginning of year	32,853	42,726
Cash and cash equivalents at end of year	6,057	32,853

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		
	Full Year 2009	Full Year 2008	Incr/ (Decr)
	$'000	$'000	%
Profit attributable to shareholders	54,612	40,580	34.6
Fair value gain (loss) on available-for-sale investments	822	(925)	NM
Total comprehensive income attributable to shareholders	55,434	39,655	39.8

NM - Not meaningful

6 STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2009:

	Group			
	Attributable to shareholders of the Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 January 2008	91,324	954	143,260	235,538
Total comprehensive income for the year	-	(925)	40,580	39,655
Recognition of share-based payments	-	291	-	291
Exercise of share options	986	(23)	-	963
Payment of dividends	-	-	(19,232)	(19,232)
Others	-	(34)	67	33
Balance at 31 December 2008	92,310	263	164,675	257,248
Total comprehensive income for the year	-	822	54,612	55,434
Recognition of share-based payments	-	319	-	319
Payment of dividends	-	-	(24,925)	(24,925)
Others	-	(13)	38	25
Balance at 31 December 2009	92,310	1,391	194,400	288,101

Statement of Changes in Equity of the Company for the year ended 31 December 2009:

	Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 January 2008	91,324	954	143,576	235,854
Total comprehensive income for the year	-	(925)	40,276	39,351
Recognition of share-based payments	-	291	-	291
Exercise of share options	986	(23)	-	963
Payment of dividends	-	-	(19,232)	(19,232)
Others	-	(34)	67	33
Balance at 31 December 2008	92,310	263	164,687	257,260
Total comprehensive income for the year	-	822	54,293	55,115
Recognition of share-based payments	-	319	-	319
Payment of dividends	-	-	(24,925)	(24,925)
Others	-	(13)	38	25
Balance at 31 December 2009	92,310	1,391	194,093	287,794

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

Since 30 September 2009, no new ordinary shares were issued by the Company.

As at 31 December 2009, the total number of issued shares was 307,720,516 (31 December 2008: 307,720,516).

Outstanding Shares - SBS Transit Share Option Scheme

As at 31 December 2009, there were unexercised options for 11,877,500 (31 December 2008: 9,376,250) 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

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 2009, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group 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 and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 and fair presentation of the financial statements 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,

a) the consolidated financial statements of the Group and the statement of financial position 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 2009 and of the results, changes in equity and cash flows of the Group for the year ended on that date; and

b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Kee Cheng Kong, Michael
Partner

Singapore
10 February 2010

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 2008.

In this current financial year, the Group 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 2009. The adoption of these new/revised FRSs and INT 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 ESTIMATES

Not applicable.

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

Earnings per ordinary share

	Group	
	2009	**2008**
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	17.75 cents	13.19 cents
(ii) On a fully diluted basis	17.74 cents	13.19 cents

EBITDA

	Group	
	2009	**2008**
(i) EBITDA ($'000)	102,686	78,596
(ii) EBITDA margin (%)	14.7	10.7

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

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2009	**31 Dec 2008**	**31 Dec 2009**	**31 Dec 2008**
Net asset value per ordinary share based on issued share capital at the end of the year	94 cents	84 cents	94 cents	84 cents

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group revenue of $697.1m for 2009 decreased by 4.7% or $34.2m from $731.3m in 2008 due mainly to lower bus fare revenue from the temporary fare reduction and the increase in transfer rebate.

Operating expenses of $634.9m for 2009 decreased by 7.2% or $49.3m from $684.2m in 2008 due substantially to lower fuel and electricity costs and savings from the Singapore Government Budget 2009, partially offset by higher depreciation and repairs and maintenance expenses.

Group operating profit of $62.2m for 2009 was 32.1% or $15.1m higher than that of $47.1m in 2008.

Net income from investments of $0.8m for 2009 was 72.1% or $2.1m lower than that of $2.9m in 2008 due to the drop in deposit rates and the decrease in investments.

Consequently, Group profit before tax for 2009 of $63.3m was 26.0% or $13.0m higher than that of $50.3m last year.

Taxation for 2009 of $8.7m was $1.0m lower than that for 2008 due to certain receipts which were tax exempt and the write-back of deferred tax of $1.2m following the reduction of corporate tax rate from 18.0% to 17.0%, offset by the higher profits generated.

Group profit attributable to shareholders of the Company for 2009 of $54.6m was 34.6% or $14.0m higher than that of $40.6m in 2008.

A segmental breakdown by business is provided under paragraph 19.

Revenue from Bus Operations for 2009 at $546.0m was lower by 6.0% or $35.1m due mainly to the temporary fare reduction coupled with the increase in transfer rebate with effect from 1 April 2009 and the decrease in average daily ridership of 1.3% during the year as compared to 2008. Operating profit for 2009 of $22.4m increased by 163.4% or $13.9m from $8.5m in 2008 due mainly to lower fuel cost, partially offset by lower bus fare revenue, higher depreciation and repairs and maintenance expenses.

Revenue from Rail Operations for 2009 at $109.2m increased by 2.5% or $2.6m from $106.6m last year. Average daily ridership for the North-East Line and the two light rail transit systems went up by 5.9% and 5.5% respectively as compared to 2008. Operating profit for 2009 of $13.3m was better by 28.2% or $2.9m as compared to $10.4m in 2008 due mainly to higher rail fare revenue and lower electricity cost, partially offset by higher repairs and maintenance expenses, premises costs, staff costs and other operating expenses.

Revenue from Advertisement Business for 2009 was lower by 11.6% or $3.6m to $27.3m as compared to 2008 and operating profit for 2009 decreased by 16.5% or $3.2m to $16.1m in 2009 due mainly to lower revenue, partially offset by lower operating expenses.

Revenue from Rental Business for 2009 increased by 14.2% or $1.8m to $14.6m as compared to 2008 due mainly to full year rental from shops at bus interchanges and rail stations. Operating profit for 2009 increased by 16.8% or $1.5m to $10.4m as compared to last year.

Statement of Financial Position

As at 31 December 2009, total equity for the Group increased by 12.0% or $30.9m to $288.1m as compared to 31 December 2008 due mainly to the profits generated from operations, partially offset by the payment of dividends.

Group total assets increased by 13.5% or $69.5m to $585.9m due to an increase in non-current assets of $126.3m, partially offset by the decrease in current assets of $56.8m. 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 investments and short-term deposits.

Group total liabilities increased by 14.9% or $38.6m to $297.8m due mainly to an increase in current liabilities by $30.0m and non-current liabilities by $8.6m. The increase in current liabilities was due mainly to the increase in trade and other payables while the increase in non-current liabilities was due mainly to the increase in deferred tax liabilities.

Cash Flow

Net cash outflow of $26.8m for 2009 arose mainly from the purchase of buses and payment of dividends, partially offset by the net cash generated from operations and proceeds upon maturity of investments.

Group cash and cash equivalents as at 31 December 2009 was $6.1m. If the available-for-sale investments were included, the cash position as at 31 December 2009 would be $21.4m.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

While recent economic data indicates that the worst of the economic crisis is over and a modest recovery is underway, the business outlook for 2010 remains uncertain. Bus ridership is expected to be impacted with the progressive opening of the Circle Line. Rail revenue is expected to be higher due to rail ridership growth. Advertisement revenue is expected to benefit from the improving economy while rental income is expected to be maintained. With the addition of buses to renew the bus fleet and meet higher operating standards, depreciation expense is expected to increase.

17 DIVIDEND

(a) Current Financial Period Reported On

Proposed final dividend

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.30 cents
Tax Rate	Exempt one-tier

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Declared final dividend

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	3.60 cents
Tax Rate	Exempt one-tier

Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	3.00 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The Directors have proposed a tax-exempt one-tier final dividend of 4.30 cents per ordinary share. The final dividend, if approved by the shareholders at the Seventeenth Annual General Meeting of the Company to be held on 28 April 2010, will be payable on 17 May 2010.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 6 May 2010 for the purposes of determining shareholders' entitlements to the proposed final 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 5 May 2010 will be registered before shareholders' entitlements to the final 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 5 May 2010 will be entitled to the proposed final dividend.

18 IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT.

Not applicable.

19 GROUP SEGMENTAL INFORMATION

By Business Activity

	Bus	Rail	Advertise-ments	Rental	Total
	$'000	$'000	$'000	$'000	$'000
Full Year 2009					
Revenue	545,995	109,182	27,321	14,585	697,083
Results					
Segment results	22,367	13,356	16,095	10,385	62,203
Net income from investments					808
Share of profit in associate					319
Profit before taxation					63,330
Taxation					(8,718)
Profit after taxation					54,612
Full Year 2008					
Revenue	581,084	106,563	30,916	12,767	731,330
Results					
Segment results	8,491	10,420	19,277	8,893	47,081
Net income from investments					2,896
Share of profit in associate					304
Profit before taxation					50,281
Taxation					(9,701)
Profit after taxation					40,580

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

20 BREAKDOWN OF REVENUE

	Group		
	2009	2008	Incr/ (Decr)
	$'000	$'000	%
(a) Revenue reported for first half year	348,520	357,810	(2.6)
(b) Operating profit after tax before deducting minority interests reported for first half year	32,316	21,682	49.0
(c) Revenue reported for second half year	348,563	373,520	(6.7)
(d) Operating profit after tax before deducting minority interests reported for second half year	22,296	18,898	18.0

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

21 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	2009 $'000	2008 $'000
Ordinary shares (tax-exempt one-tier)		
- Interim	13,847	9,232
- Final (proposed)	13,232	11,078
Total	27,079	20,310

22 INTERESTED PERSON TRANSACTIONS

The Company does not have any Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy / Chew Si Lyn, Cecilia
Joint Company Secretaries

10 February 2010