



## **Student Transportation Of America Ltd. And Student Transportation Of America ULC Declare January 2006 Distribution**

**Toronto, Ontario – January 22, 2007** – Student Transportation of America Ltd. ("STA Ltd.") and Student Transportation of America ULC ("STA ULC", and together with STA Ltd., the "Issuer") (TSX: STB.UN) today announced that a cash payment of Cdn \$0.09125000 per income participating security ("IPS") of the Issuer will be payable on February 15, 2007 to holders of record of IPSs at the close of business on January 31, 2007.

Each IPS consists of one common share of STA Ltd. and Cdn \$3.847 principal amount of 14 percent subordinated notes of STA ULC, a wholly-owned subsidiary of STA Ltd. The IPSs trade on the Toronto Stock Exchange under the symbol STB.UN. The total payment of \$0.09125000 per IPS reflects a cash dividend of \$0.04636833 per common share and an interest payment of \$0.04488167 per IPS for the period from January 1 to January 31, 2007, as provided in the subordinated note indenture.

For clarity, with respect to any holders that hold common shares of STA Ltd. (TSX: STB) and/or subordinated notes of STA ULC (TSX: STB.DB) separately (as opposed to in the form of an IPS), the payment will be a cash dividend of \$0.04636833 per common share and a cash interest payment of \$0.04488167 per Cdn.\$3.847 of subordinate note.

### **Profile**

The Issuer is the fifth-largest provider of school bus transportation services in North America, conducting operations through local operating subsidiaries. The Issuer has become a leading school bus transportation company by aggregating operations through the consolidation of existing providers and conversion of in-house operations and currently operates more than 4,000 school vehicles in North America. For more information, please visit [www.sta-ips.com](http://www.sta-ips.com).

### **Forward-Looking Statements**

This news release contains "forward-looking statements" within the meaning of applicable securities laws, which reflects the expectations of management regarding the Issuer's and Company's results of operations, expense levels, seasonality, cash flows, performance, liquidity, borrowing availability, financial ratios, ability to execute the Company's growth strategy and cash distributions. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "track", "targeted", "estimate", "anticipate", "believe", "should", "could", "plans" or "continue" or similar expressions suggesting future outcomes or events. These forward looking statements reflect the Company's current expectations regarding anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward looking statements involve significant risks and uncertainties, and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at which or by the performance or results will be achieved. A number of factors could cause our actual results to differ materially from the results discussed, expressed or implied in any forwardlooking statement made by us or on our behalf, including, but not limited to, the factors discussed under "Risk Factors" in our Annual Information Form. These forward looking statements are made as of the date of this news release and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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