

4Q and FY2011/12 Performance Review

14 May 2012

Forward Looking Statements

This presentation may contain forward-looking statements regarding, among other things, the Company's outlook, business and strategy which are current as of the date they are made. These forward-looking statements are based largely on the current assumptions, expectations and projections of the directors and management of SATS about our business, and the industry and markets in which we operate. These statements are not guarantees of SATS' future performance and are subject to a number of risks and uncertainties, some of which are beyond the Company's control and are difficult to predict. Future developments and actual results could differ materially from those expressed in the forward-looking statements. In light of these risks and uncertainties, there can be no assurance that the forward-looking information will prove to be accurate. SATS does not undertake to update these forward-looking statements to reflect events or circumstances which arise after publication.

Agenda

- Group financial review
- Group business review
- Outlook
- Q&A

FY11/12 Highlights

- Revenue increased 24.1% due to organic growth in gateway (+9.4%) and food (excl TFK: +6.9%) businesses, and full year consolidation of TFK.
- Operating profit was flat at $169m due to higher expenses (+27.6%) driven by higher business volumes and inflationary pressure.
- Weaker performance from associates affected by soft cargo demand and stronger S$ resulted in 12.2% decline in share of results of associates/JVs, net of tax.
- Due to Daniels' y-o-y impact of $22.1m, net profit dipped 10.7% to $170.9m.
- Underlying net profit from continuing operations was down 4.3% to $177.5m or 16 cents/share.
- Group cash & cash equivalents increased 58.8% to $470.1m.
- Directors proposed a final dividend of 6 cents per share and a special dividend of 15 cents per share. Total payout would be 168.7% of net profit.

4Q11/12 Highlights

- 4Q net profit of $50.1m is highest among 4 quarters in FY11/12 despite absence of Daniels' contribution.
- Revenue rose 7.8% in 4Q, underpinned by better performance from gateway (+7.7%) and food (+8.2%) businesses.
- Operating profit rose 10% to $48.3m despite rising costs.
- Share of results of associates/JVs, net of tax improved 2.9%.
- Steady recovery of meal volumes saw TFK achieve net profit of $0.5m, reversing $0.2m loss reported a year ago.
- Underlying net profit from continuing operations was steady at $47.6m or 4.3 cents/share.

Group Financial Review

Explanatory Notes

- "One-line consolidation" of Daniels' results in P&L up to date of disposal.
- P&L Statement split between continuing operations and discontinued operations.
- Daniels' assets and liabilities deconsolidated from FY11/12 balance sheet.
- Share of associates' results are disclosed in P&L as net of tax, instead of gross less tax previously.
- Underlying net profit from continuing operations excludes Daniels' results and the following:

SGD Million	Quarter 4		Year-to-date	
	FY11/12	FY10/11	FY11/12	FY10/11
One-off Items				
M&A expenses		2.7		6.0
Unwinding of QTE (gain)/loss	(2.5)		2.0	
Revision of retirement plan (TFK)			(5.5)	

- TFK's results were consolidated for 4 quarters in FY11/12 vs 1 quarter in FY10/11..
- FY10/11 balance sheet has been restated following finalisation of purchase price allocation arising from TFK acquisition.

4Q and FY11/12 Financials

$M	4Q11/12	4Q10/11	% Change	FY11/12	FY10/11	% Change
Revenue	433.3	402.1	7.8	1,685.4	1,357.8	24.1
Expenditure	(385.0)	(358.2)	7.5	(1,516.4)	(1,188.8)	27.6
Operating Profit	**48.3**	**43.9**	**10.0**	**169.0**	**169.0**	**-**
Write-back of Retirement Benefit Plan Obligations	-	-	-	10.1	-	n.m.
EBITDA	73.3	63.1	16.2	264.8	244.7	8.2
Share of Results of Associates/JVs, Net of Tax	10.5	10.2	2.9	41.2	46.9	(12.2)
PBT from Continuing Operations	**62.1**	**54.0**	**15.0**	**221.8**	**216.7**	**2.4**
Profit from Continuing Operations, Net of Tax & MI	50.1	45.1	11.1	181.0	179.4	0.9
Profit/(Loss) from Discontinued Operation, Net of Tax	-	5.6	n.m.	(10.1)	12.0	n.m.
Profit Attributable to Owners of the Company	**50.1**	**50.7**	**(1.2)**	**170.9**	**191.4**	**(10.7)**
Underlying Net Profit from Continuing Operations	***47.6***	***47.8***	***(0.4)***	***177.5***	***185.4***	***(4.3)***

TFK's financials have been consolidated since 4Q10/11.

Underlying Net Profit from Continuing Ops

$M	4Q11/12	4Q10/11	FY11/12	FY10/11
Profit Attributable to Owners of the Company	**50.1**	**50.7**	**170.9**	**191.4**
Adjustment for Discontinued Operations				
Loss/(Profit) from Daniels	-	(5.6)	10.1	(12.0)
One-offs:				
Write-back of TFK's Retirement Benefit Plan Obligations	0.0	0.0	(5.5)	0.0
Loss/(Gain) on Early Retirement of Sale & Lease Back Arrangement	(2.5)	0.0	2.0	0.0
M&A Expenses	0.0	2.7	0.0	6.0
Underlying Net Profit from Continuing Operations	***47.6***	***47.8***	***177.5***	***185.4***

TFK Financials

$M	4Q11/12	4Q10/11	% Change	FY11/12	FY10/11	% Change
Revenue	81.5	72.6	12.3	302.6	72.6	316.8
Expenditure	(78.1)	(74.2)	5.3	(302.3)	(74.2)	307.4
Operating Profit	**3.4**	**(1.6)**	**n.m.**	**0.3**	**(1.6)**	**n.m.**
Write-back of Retirement Benefit Plan Obligations	-	-	-	10.1	-	-
Share of Results of Associates/JVs, Net of Tax	(0.1)	0.1	n.m.	(0.4)	0.1	n.m.
PBT from Continuing Operations	**3.2**	**(1.5)**	**n.m.**	**9.4**	**(1.5)**	**n.m.**
Tax	(2.3)	1.2	n.m.	(1.0)	1.2	n.m.
Profit Attributable to Owners of the Company	**0.5**	**(0.2)**	**n.m.**	**4.5**	**(0.2)**	**n.m.**
Underlying Net Profit from Continuing Operations	***0.5***	***(0.2)***	**n.m.**	***(1.0)***	***(0.2)***	***n.m.***
Underlying Net Margin	*0.6%*	*-0.3%*	*0.9 ppt*	*-0.3%*	*-0.3%*	*- ppt*

FY11/12 Financials – Excluding TFK

$M	4Q11/12	4Q10/11	% Change	FY11/12	FY10/11	% Change
Revenue	351.8	329.5	6.8	1,382.8	1,285.2	7.6
Expenditure	(306.9)	(284.0)	8.1	(1,214.1)	(1,114.6)	8.9
Operating Profit	**44.9**	**45.5**	(1.3)	**168.7**	**170.6**	**(1.1)**
Share of Results of Associates/JVs, Net of Tax	10.6	10.1	5.0	41.6	46.8	(11.1)
PBT from Continuing Operations	**58.9**	**55.5**	6.1	**212.4**	**218.2**	**(2.7)**
Tax	(9.4)	(10.2)	(7.8)	(35.7)	(38.1)	(6.3)
Profit Attributable to Owners of the Company	**49.6**	**50.9**	(2.6)	**166.4**	**191.6**	**(13.2)**
Underlying Net Profit from Continuing Operations	***47.1***	***48.0***	(1.9)	***178.5***	***185.6***	***(3.8)***
Underlying Net Margin	*13.4%*	*14.6%*	*(1.2) ppt*	*12.9%*	*14.4%*	*(1.5)ppt*

Q-o-Q Highlights

$M	4Q11/12	3Q11/12	2Q11/12	1Q11/12
Revenue	433.3	442.3	424.2	385.6
% Change in Revenue	*-2.0%*	*4.3%*	*10.0%*	*-4.1%*
Expenditure	(385.0)	(398.5)	(378.9)	(354.0)
Operating Profit	**48.3**	**43.8**	**45.3**	**31.6**
% Change in Operating Profit	*10.3%*	*-3.3%*	*43.4%*	*-28.0%*
Write-back of Retirement Benefit Plan Obligations	-	-	-	10.1
EBITDA	73.3	68.5	67.3	55.7
Share of Results of Associates/JVs, Net of Tax	10.5	9.4	10.0	11.3
PBT from Continuing Operations	**62.1**	**56.4**	**57.1**	**57.8**
Profit/(Loss) from Discontinued Operations, Net of Tax	-	(5.5)	(1.8)	(2.8)
Profit Attributable to Owners of the Company	**50.1**	**38.2**	**40.1**	**42.5**
%Change in Profit Attributable to Owners of the Company	*31.2%*	*-4.7%*	*-5.6%*	*-16.2%*
Underlying Net Profit from Continuing Operations	***47.6***	***43.7***	***46.4***	***39.8***
% Change in Underlying Net Profit	*8.9%*	*-5.8%*	*16.6%*	*-25.5%*

Financial Indicators

%	4Q11/12	4Q10/11	Change (ppt)	FY11/12	FY10/11	Change (ppt)
Operating Margin	11.1	10.9	0.2	10.0	12.4	(2.4)
EBITDA Margin	16.9	15.7	1.2	15.7	18.0	(2.3)
PBT Margin	14.3	13.4	0.9	13.2	16.0	(2.8)
Net Margin	11.6	12.6	(1.0)	10.1	14.1	(4.0)
Underlying Net Margin	11.0	11.9	(0.9)	10.5	13.7	(3.2)

Cents	4Q11/12	4Q10/11	% Change	FY11/12	FY10/11	% Change
EPS, Based on Net Profit Attributable to Shareholders (Cents)	4.5	4.6	(2.2)	15.4	17.4	(11.5)
EPS, Based on Net Profit from Continuing Operations (Cents)	4.5	4.1	9.8	16.3	16.3	-

	31-Mar-12	31-Mar-11
NAV Per Share ($)	1.36	1.37
Debt Equity Ratio	0.10	0.12

Margins are calculated based on profits from continuing operations.

Group Segmental Revenue (Excluding Associates/JVs)

$M	4Q11/12	4Q10/11	% Change	FY11/12	FY10/11	% Change
By Business						
Gateway Services	153.5	142.5	7.7	602.7	551.0	9.4
Food Solutions	278.4	257.3	8.2	1,077.0	796.7	35.2
Corporate	1.4	2.3	(39.1)	5.7	10.1	(43.6)
Total	**433.3**	**402.1**	**7.8**	**1,685.4**	**1357.8**	**24.1**
By Industry						
Aviation	352.0	319.3	10.2	1,357.6	1024.6	32.5
Non-Aviation	79.9	80.5	(0.7)	322.1	323.1	(0.3)
Corporate	1.4	2.3	(39.1)	5.7	10.1	(43.6)
Total	**433.3**	**402.1**	**7.8**	**1,685.4**	**1357.8**	**24.1**
By Geographical Location						
Singapore	324.7	318.8	1.9	1,292.8	1196.1	8.1
Japan	81.5	72.6	12.3	302.6	72.6	316.8
Others	25.7	8.4	206.0	84.3	79.0	6.7
Corporate	1.4	2.3	(39.1)	5.7	10.1	(43.6)
Total	**433.3**	**402.1**	**7.8**	**1,685.4**	**1357.8**	**24.1**

Group Expenditure

$M	Including TFK 4Q11/12	4Q10/11	% Change	Excluding TFK 4Q11/12	4Q10/11	% Change
Staff Costs	169.1	171.7	(1.5)	134.3	137.4	(2.3)
Cost of Raw Materials	96.3	92.2	4.4	70.0	68.8	1.7
Licensing Fees	18.1	16.7	8.4	17.7	16.3	8.6
Depreciation & Amortisation	26.2	22.5	16.4	21.7	18.4	17.9
Company Accommodation & Utilities	31.6	28.8	9.7	25.4	23.0	10.4
Other Costs	43.7	26.3	66.2	37.8	20.1	88.1
Total Expenditure	**385.0**	**358.2**	**7.5**	**306.9**	**284.0**	**8.1**
Revenue	**433.3**	**402.1**	**7.8**	**351.8**	**329.5**	**6.8**

Excluding TFK, expenses rose 8.1% driven by higher business volumes and inflationary pressure.

Group Expenditure

$M	Including TFK FY11/12	Including TFK FY10/11	Including TFK % Change	Excluding TFK FY11/12	Excluding TFK FY10/11	Excluding TFK % Change
Staff Costs	697.0	563.6	23.7	559.8	529.4	5.7
Cost of Raw Materials	370.7	284.2	30.4	271.7	260.8	4.2
Licensing Fees	70.3	62.0	13.4	68.8	61.6	11.7
Depreciation & Amortisation	97.4	77.3	26.0	79.7	73.2	8.9
Company Accommodation & Utilities	123.7	93.5	32.3	99.6	87.6	13.7
Other Costs	157.3	108.2	45.4	134.5	102.0	31.9
Total Expenditure	**1,516.4**	**1,188.8**	**27.6**	**1,214.1**	**1,114.6**	**8.9**
Revenue	**1,685.4**	**1,357.8**	**24.1**	**1,382.8**	**1,285.2**	**7.6**

Increased expenses (excluding TFK) driven by higher business volumes and inflationary pressure.

Associates/JVs Performance by Business – Based on SATS' Shareholding*

$M	4Q11/12	4Q10/11	% Change	FY11/12	FY10/11	% Change
Turnover	**86.9**	**114.7**	**(24.2)**	**337.3**	**327.2**	**3.1**
Gateway Services	68.6	98.5	(30.4)	263.1	260.9	0.8
Food Solutions	18.3	16.2	13.0	74.2	66.3	11.9
EBITDA	**16.1**	**22.9**	**(29.7)**	**77.4**	**86.4**	**(10.4)**
Gateway Services	14.6	21.6	(32.4)	71.2	78.6	(9.4)
Food Solutions	1.5	1.3	15.4	6.2	7.8	(20.4)
EBITDA Margin (%)	**18.5**	**20.0**	**(1.5) ppt**	**22.9**	**26.4**	**(3.5) ppt**
Gateway Services	21.3	21.9	(0.6) ppt	27.1	30.1	(3.0) ppt
Food Solutions	8.2	8.0	(0.2) ppt	8.4	11.8	(3.4) ppt
PBT	**13.2**	**15.2**	**(13.2)**	**55.9**	**61.1**	**(8.5)**
Gateway Services	13.5	14.5	(6.9)	54.4	57.4	(5.2)
Food Solutions	(0.3)	0.7	(142.9)	1.5	3.7	(59.5)
PAT	**10.5**	**10.1**	**4.0**	**41.7**	**46.9**	**(11.1)**
Gateway Services	11.2	9.4	19.1	41.1	43.5	(5.5)
Food Solutions	(0.7)	0.7	(200.0)	0.6	3.4	(82.4)
Gross Dividends Received	**-**	**16.4**	**n.m.**	**23.2**	**39.5**	**(41.3)**

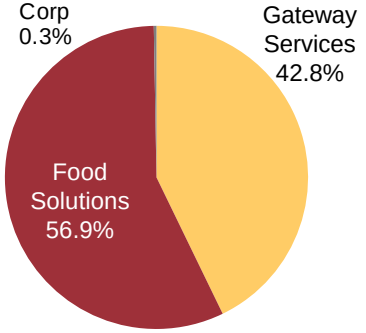
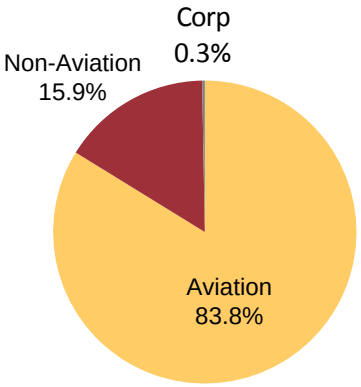
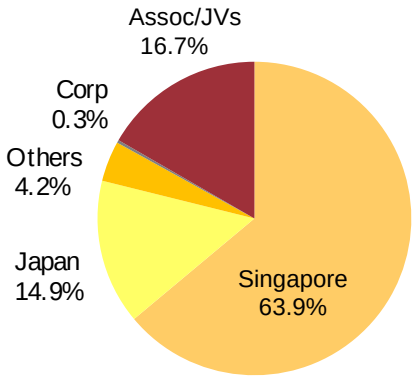
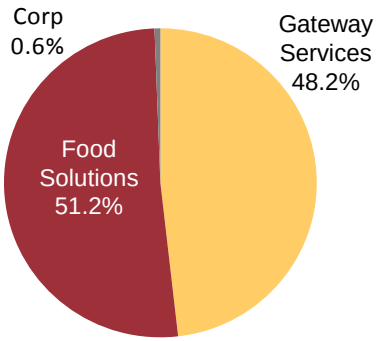
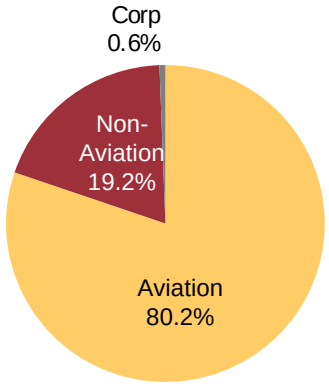
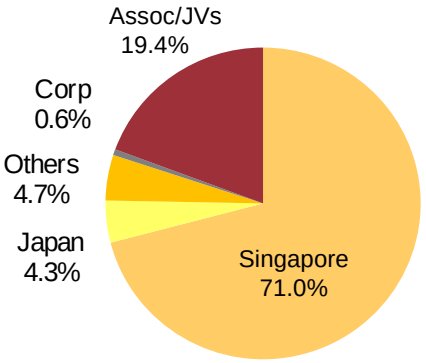
** Excludes TFK's associates.*

Associates/JVs Performance by Region – Based on SATS' Shareholding*

$M	4Q11/12	4Q10/11	% Change	FY11/12	FY10/11	% Change
Turnover	**86.9**	**114.7**	**(24.2)**	**337.3**	**327.2**	**3.1**
West Asia	26.3	62.2	(57.7)	103.3	93.3	10.7
North Asia	45.1	39.0	15.6	174.3	173.0	0.8
SEA & Australasia	15.5	13.5	14.8	59.7	60.9	(2.0)
EBITDA	**16.1**	**22.9**	**(29.7)**	**77.4**	**86.4**	**(10.4)**
West Asia	2.3	10.5	(78.1)	20.4	16.7	22.2
North Asia	9.0	7.7	16.9	35.8	46.9	(23.7)
SEA & Australasia	4.8	4.7	2.1	21.2	22.8	(7.0)
EBITDA Margin (%)	**18.5**	**20.0**	**(1.5) ppt**	**22.9**	**26.4**	**(3.5) ppt**
West Asia	8.7	16.9	(8.1) ppt	19.7	17.9	1.8 ppt
North Asia	20.0	19.7	0.2 ppt	20.5	27.1	(6.6) ppt
SEA & Australasia	31.0	34.8	(3.9) ppt	35.5	37.4	(1.8) ppt
PBT	**13.2**	**15.2**	**(13.2)**	**55.9**	**61.1**	**(8.5)**
West Asia	1.0	7.4	(86.5)	14.7	11.2	31.3
North Asia	6.1	3.8	60.5	20.6	29.3	(29.7)
SEA & Australasia	6.1	4.0	52.5	20.6	20.6	0.0
PAT	**10.5**	**10.1**	**4.0**	**41.7**	**46.9**	**(11.1)**
West Asia	1.0	4.2	(76.2)	10.7	7.8	37.2
North Asia	4.8	2.8	71.4	15.6	23.8	(34.5)
SEA & Australasia	4.7	3.1	51.6	15.4	15.3	0.7
Gross Dividends Received	**-**	**16.4**	**n.m.**	**23.2**	**39.5**	**(41.3)**

** Excludes TFK's associates.*

Proforma Segmental Revenue (Including Proportionate Revenue from Assocs/JVs*)

	By Business	By Industry	By Geography
FY11/12			
FY10/11			

** Exclude TFK's associates.*

Group Balance Sheet

$M	As at 31 Mar 12	As at 31 Mar 11
Total Equity	1,616.2	1,619.8
Long-term Loans	131.3	20.7
Other Long-Term Liabilities	102.7	185.8
Current Liabilities	272.3	493.6
Total Equity & Liabilities	**2,122.5**	**2,319.9**
Fixed Assets & Investment Property	667.4	758.1
Associated Companies & JVs	368.3	335.3
Intangible Assets	213.0	486.9
Other Non-Current Assets & Long-Term Investment	42.6	52.0
Current Assets		
Cash & Cash Equivalents	471.6	303.9
Debtors & Other Current Assets	359.6	383.7
Total Assets	**2,122.5**	**2,319.9**

Balance sheet movements due largely to deconsolidation of Daniels.

Conversion of short-term ¥-denominated loan to a 5-year tenure resulted in reclassification of liabilities.

Group Cash Flow Statement

$M	FY11/12	FY10/11	Difference
Net Cash from Operating Activities	168.0	200.2	(32.2)
Net Cash generated from/(used in) Investing Activities	224.5	(94.6)	319.1
Net Cash used in Financing Activities	(215.9)	(2.0)	(213.9)
Net increase in Cash & Cash Equivalents	**176.6**	**103.6**	**73.0**
Cash & Cash Equivalents at end of the period	**470.1**	**296.1**	**174.0**
Free Cash Flow*	**103.7**	**132.1**	**(28.4)**

Lower free cash flow in tandem with lower profit from continuing operations and cash flow impact from sale of Daniels.

* *Free Cash Flow refers to net cash from operating activities less cash purchases of capital expenditure.*

Operating Statistics for Singapore Aviation Business

	4Q11/12	4Q10/11	% Change	FY11/12	FY10/11	% Change
Passengers Handled (‘M)	9.67	8.79	10.0	37.92	35.38	7.2
Flights Handled (‘000)	29.26	26.69	9.6	115.19	103.73	11.0
Unit Services (‘000)	23.09	21.37	8.0	91.51	84.05	8.9
Cargo (‘000 tonnes)	351.43	360.03	(2.4)	1,504.64	1,494.66	0.7
Gross Meals Produced (‘M)	6.70	6.27	6.8	26.50	25.06	5.7
Unit Meals Produced (‘M)	5.26	4.95	6.3	20.72	19.78	4.8

All indicators showed improvement y-o-y although cargo’s growth was muted due to soft demand in 2H FY11/12.

The above aviation operating data cover Singapore operations only.
With the exception of unit and gross meals produced, all data include LCC operations.

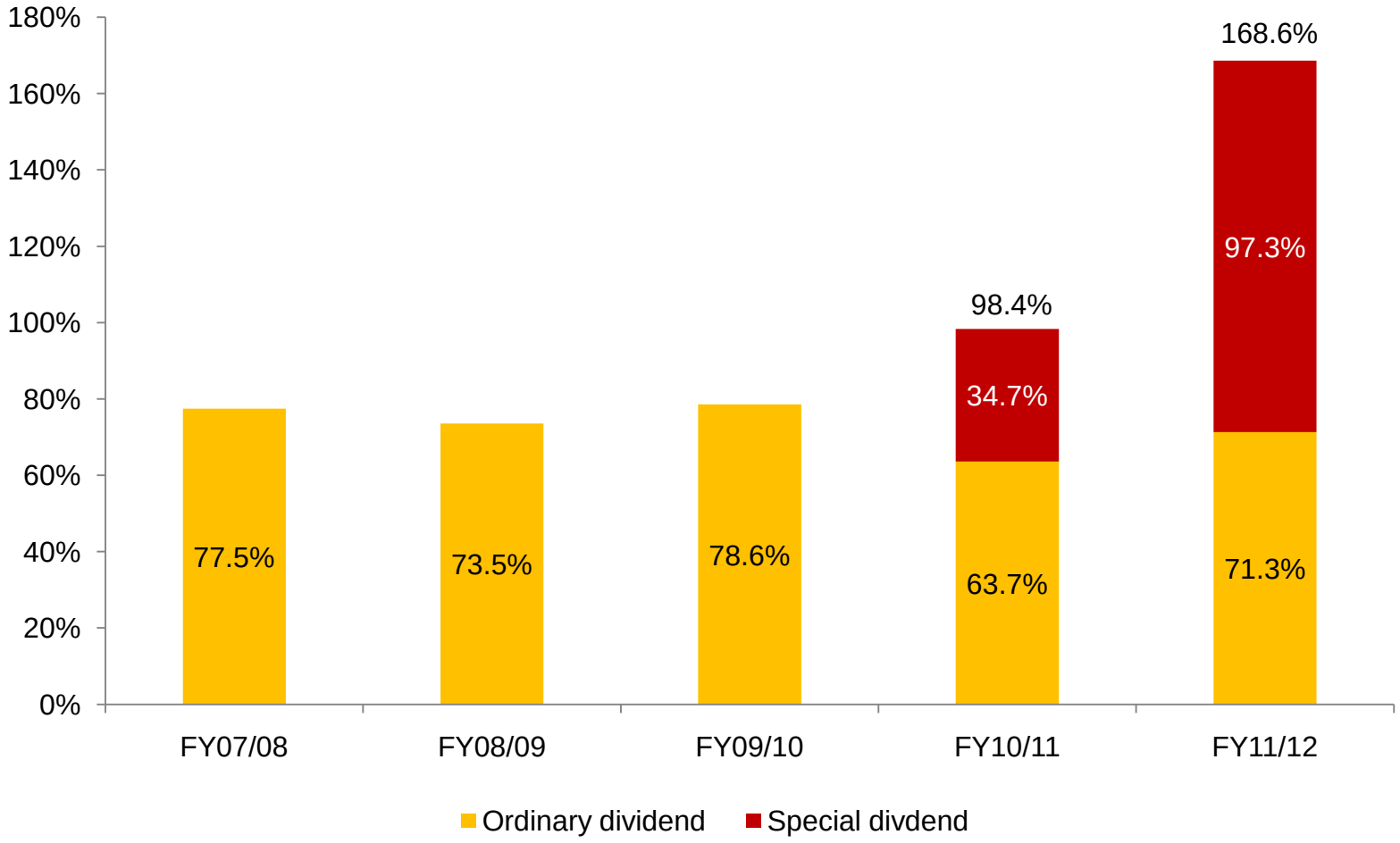
Dividends

	FY11/12	FY10/11
Interim Dividend (cents)	5.0	5.0
Proposed Final Dividend (cents)*	6.0	6.0
Total - Ordinary Dividends	11.0	11.0
Proposed Special Dividend (cents)*	15.0	6.0
Proposed Total Dividends (cents)	**26.0**	**17.0**
Payout Ratio - Ordinary Dividends	71.3%	63.7%
Payout Ratio - Total Dividends	**168.6%**	**98.4%**

Book closure date is 3 August 2012 and payment is on 15 August 2012.

** Subject to shareholders' approval at AGM to be held on 26 July 2012.*

Dividend Payout Ratio



Group Business Review

Recent Contracts

Singapore



- Scoot - ground handling, catering and flight ops (awarded following 3 separate RFPs)
- Air China Cargo - ground and cargo handling
- Drukair - catering and laundry services
- Lufthansa Airlines - ground handling
- Singapore Armed Forces - catering support to overseas locations
- Yeosu World Expo 2012 in South Korea - catering services at the Singapore pavilion
- PricewaterhouseCoopers - café operations cum event catering at PWC's office

Overseas

- TFK – inflight catering for FedEx

Business Updates

TFK

- Steady recovery of meal volumes with 3% growth q-o-q.

Disposal of Daniels Group

- Valuation of deferred consideration from Daniels' disposal previously recognised will be reviewed in 1Q FY12/13.

Singapore International Cruise Terminal (ICT)

- Completed multiple stress tests during April – May period.
- On track to commence handling in the second quarter of 2012.

Associates

- Signed new JVAs for BGS and BAIK to introduce new partners – MU and CZ – and extend JVs' operating terms by another 20 years. SATS' stake will reduce from 40% to 28% upon Chinese authorities' approval.

Business Updates

Accolades

- SATS was named CZ's "2011 Best Station" amongst 176 stations and UA's "Most Reliable Caterer".
- AISATS Bangalore Cargo was voted "Air Cargo Terminal Operator of the Year in India" at the Indian Supply Chain and Logistics Summit and Excellence Awards 2012.
- AISATS Bangalore Ground Handling clinched Hong Kong Dragon Air's network-wide awards including "Best Station Performance", "Best Station Self Service Check-in", "Best Station Delay Handling" and "Best Station On-line Check-in".

Corporate Updates

Key Management Changes

- President & CEO appointment.
- Mr Yacoob Piperdi, previously SVP for Cargo Services, appointed as EVP, Food Solutions.

Accolades

- Ranked 8th amongst 674 listed companies in 2012 Governance and Transparency Index (GTI).
- Commended by NTUC for good labour-management relationship, and for actively engaging the aging workforce and adopting a more age-friendly working environment.

Outlook

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Passenger traffic at Changi Airport is anticipated to increase on the back of growing regional traffic as well as certain airlines expanding their networks. For 2012, the Singapore Tourism Board has projected moderate growth in visitor arrivals to between 13.5 million and 14.5 million. These present growth opportunities for the Group's gateway and food businesses in the domestic market. However, weakness in cargo demand is likely to continue, especially for the next two quarters.

Weaker general cargo demand and a stronger Singapore dollar are expected to continue to affect the performance of some overseas JVs. Nevertheless, the Group remains committed to growing its businesses in the Asia Pacific region and will continue to leverage its financial strength to access other opportunities in key overseas markets.

With continued inflationary pressure on labour and other costs, the Group remains vigilant in managing its costs. It will intensify its efforts to increase productivity including skill upgrading and process improvements.



END