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SATS FULL YEAR NET PROFIT UP 24% TO $181.2M

Proposes final ordinary dividend of 8 cents per share

HIGHLIGHTS OF THE SATS GROUP'S AUDITED RESULTS

(in S$ million)	4Q FY2009-10 (Jan - Mar 10)	Year-on-Year change (%)	FY2009-10 (Apr 09 - Mar 10)	Year-on-Year change (%)
Operating revenue	390.6	19.6	1,538.9	44.9
Operating profit	40.3	(11.8)	184.4	7.9
Share of profits of associated companies	13.0	225.0	41.9	88.7
Non-operating income/(expense)	(0.5)	(83.9)	(3.3)	(65.6)
Profit before tax	52.8	13.3	223.0	21.5
Profit attributable to equity holders	46.5	10.2	181.2	23.5
Earnings per share (cents) - basic	4.3	10.3	16.7	22.8

GROUP EARNINGS

FY2009-10 (1 April 2009 – 31 March 2010)

Group revenue rose 45% (+$476.8 million) to $1.54 billion for the full year despite a 5% drop (-$50.0 million) in aviation revenue. This was due to the full consolidation of Singapore Food Industries (SFI) which contributed revenue of $634.4 million As a result, Group operating profit increased to $184.4 million, up 8% (+$13.5 million) over the year before.

Better performance reported by ground handling associates in Indonesia and Hong Kong saw contribution from overseas associates grew 89% (+$19.7 million) to $41.9 million.

Note: The SATS Group comprises the parent holding unit, its subsidiaries and associated companies.
A summary of the financial statistics is shown in Annex A.
All monetary figures are in Singapore Dollars.

The $10.8 million loss on disposal of short-term non-equity investments in FY2008-09 was abnormal and did not recur in this financial year.

Consequently, profit before tax for the Group grew 22% (+$39.5 million) to $223.0 million while net profit attributable to equity holders rose 24% (+$34.5 million) to $181.2 million.

4Q FY2009-10 (1 January – 31 March 2010)

Group revenue for the fourth quarter increased to $390.6 million, up 20% (+$64.1 million) over the same period last year. This was due to the full consolidation of SFI which contributed revenue of $165.1 million, compared to the two-month revenue contribution of $110.2 million in the fourth quarter of FY2008-09. Higher aviation revenue of $218.7 million, up from $209.1 million, also led to higher Group revenue.

Group operating profit in the fourth quarter was $40.3 million, 12% (-$5.4 million) lower than the year before. The decline was attributed mainly to lower jobs credit benefit of $1.5 million for the quarter, down from $12.3 million a year ago for a six-month period from October 2008 to March 2009.

Notwithstanding this, higher contribution from overseas associates which grew 225% (+$9.0 million) to $13.0 million, helped lift the Group's profit before tax by 13% (+$6.2 million) to $52.8 million and net profit attributable to equity holders by 10% (+$4.3 million) to $46.5 million.

GROUP FINANCIAL POSITION

As at 31 March 2010, total equity of the Group was $1.5 billion while net asset value per share stood at $1.36.

Total assets and cash balance amounted to $1.91 billion and $195.8 million respectively. Free cash flow generated during the year was $190.1 million, up 22% (+$34.6 million) from the previous year.

Debt equity ratio was 0.02.

OPERATING DATA FOR AVIATION BUSINESS

The fourth quarter of FY2009-10 saw higher business volumes across all operations compared to a year ago. This reflected the recovery of the aviation sector and the Singapore economy.

There were more passengers and flights handled during the financial year ended 31 March 2010. The increase came mainly from the addition of Tiger Airways to the ground handling customer base as well as more passenger and flights from the low-cost carriers. Meals produced and cargo throughput declined compare to the year before, as the volumes have not recovered to the levels prior to the economic downturn.

	4Q FY2009-10	4Q FY2008-09	% change
Passengers handled ('M)	8.51	7.03	21.0
Meals produced ('M)	5.98	5.70	4.9
Flights handled ('000)	23.48	21.20	10.7
Cargo/mail processed ('000 tonnes)	353.57	304.25	16.2
	FY2009-10	FY2008-09	% change
Passengers handled ('M)	32.99	30.91	6.7
Meals produced ('M)	23.47	25.19	(6.8)
Flights handled ('000)	95.40	88.16	8.2
Cargo/mail processed ('000 tonnes)	1,406.88	1,460.86	(3.7)

SFI INTEGRATION

The integration of SFI has been substantially completed. The Group expects savings of $12.2 million per annum and has so far achieved savings of $7.0 million.

DIVIDENDS

Taking into consideration the Group's financial performance in FY2009-10 and its capital structure, the Board has recommended a final dividend of 8 cents per share. Including the interim dividend of 5 cents per share paid earlier on 25 November 2009, the proposed total dividend will be 13 cents per share, compared to 10 cents per share paid in FY2008-09. This represents a dividend payout ratio of 78% of net profit attributable to equity holders, up from 73% in FY2008-09. The final dividend, upon shareholders' approval, will be paid on 18 August 2010.

OUTLOOK

With the current economic rebound in Asia, including Singapore, the aviation industry appears to be on the path to recovery. Across the regions, the Group expects to see an improvement in activity levels in this financial year as airlines gradually reinstate capacity with increased flights and cargo throughput.

In Singapore, the opening of the two integrated resorts and the hosting of iconic events including the inaugural Youth Olympic Games and the 2010 F1 Singapore Grand Prix are expected to drive growth in tourism and traffic at Changi Airport. SATS is poised to leverage on its core competencies in Airport Services and Food Solutions to access opportunities arising in the areas of hospitality and tourism across the regions.

Whilst striving to improve productivity and operational excellence, SATS will continue to be on the lookout for opportunities in and outside of Singapore to deliver sustained growth and profitability.

ABOUT SINGAPORE AIRPORT TERMINAL SERVICES LIMITED (SATS)

With over 60 years of operating experience and an emerging global presence, SATS is Singapore's leading provider of Airport Services and Food Solutions.

Our comprehensive scope of Airport Services encompasses airfreight handling, passenger services, ramp handling, baggage handling, aviation security, aircraft interior cleaning while our Food Solutions business comprises airline catering, food distribution and logistics, industrial catering, chilled and frozen food manufacturing as well as airline linen laundry.

SATS has been listed on the Singapore Exchange since May 2000. For more information on SATS, please visit www.sats.com.sg.

ANNOUNCEMENT INFORMATION

The complete SATS Group's 4Q and FY2009-10 results are available on the following websites: www.sats.com.sg and www.irasia.com/listco/sg/sats/index.htm.

INVESTOR AND MEDIA CONTACTS:

Sandy Leng
AVP, Investor Relations
SATS
Tel: (65) 6541 8200 (office hours)
Tel: (65) 9018 5168 (after office hours)
Email: sandy_leng@sats.com.sg

Jonathan Sanchez
Regional Director Asia Pacific
Edelman Public Relations
Tel: (65) 6347 2311 (office hours)
Tel: (65) 9069 5600 (after office hours)
Email: jonathan.sanchez@edelman.com

ANNEX A

GROUP FINANCIAL STATISTICS

	4QFY2009-10	4QFY2008-09	FY2009-10	FY2008-09
Financial Results (S$ million)				
Total revenue	390.6	326.5	1,538.9	1,062.1
Total expenditure	350.3	280.8	1,354.5	891.2
Operating profit	40.3	45.7	184.4	170.9
Share of profits from associated companies	13.0	4.0	41.9	22.2
Non-operating income / (expenses)	(0.5)	(3.1)	(3.3)	(9.6)
Profit before taxation	52.8	46.6	223.0	183.5
Profit attributable to equity holders	46.5	42.2	181.2	146.7
Per Share Data				
Earnings after tax (cents) - basic [R1]	4.3	3.9	16.7	13.6
- diluted [R2]	4.2	3.9	16.7	13.6
Return on turnover (%) [R3]	11.9	13.2	11.8	14.0

Financial Position (S$ million)	As at 31-Mar-10	As at 31-Mar-09
Equity attributable to equity holders	1,481.8	1,398.0
Total assets	1,909.1	2,055.1
Total debt	24.1	251.4
Gross debt/equity ratio (times) [R4]	0.02	0.18
Net asset value per share ($) [R5]	1.36	1.30

[R1] Earnings after tax per share (basic) is computed by dividing profit attributable to equity holders by the weighted average number of ordinary shares in issue.

[R2] Earnings after tax per share (diluted) is computed by dividing profit attributable to equity holders by the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding share options granted to employees.

[R3] Return on turnover is computed by dividing profit after tax by total revenue.

[R4] Gross debt/equity ratio is computed by dividing total debt by equity attributable to equity holders.

[R5] Net asset value per share is computed by dividing equity attributable to equity holders by the number of ordinary shares in issue.