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SATS FULL-YEAR NET PROFIT GREW 5.6% TO $191.4M

Proposes final dividend of 6 cents per share and special dividend of 6 cents per share

HIGHLIGHTS OF THE SATS GROUP'S UNAUDITED RESULTS:

(S$ million)	4Q2010-11	Year-on-Year Change (%)	FY2010-11	Year-on-Year Change (%)
Operating revenue	504.9	29.3	1,729.1	12.4
Operating profit	50.2	24.6	184.5	0.1
Share of profits of associates /JVs	15.3	17.7	61.2	46.1
Profit before tax	65.2	23.5	245.5	10.1
Profit attributable to equity holders	50.7	9.0	191.4	5.6
Earnings per share (cents) - basic	4.6	7.0	17.4	4.2
Underlying operating profit	52.9	36.3	190.5	13.9
Underlying net profit	53.4	18.7	197.4	20.3

GROUP EARNINGS

4Q2010-11 vs 4Q2009-10

SATS' operating revenue increased 29.3% to $504.9 million on the back of higher level of activities and the consolidation of TFK Corporation (TFK). TFK contributed a revenue of $72.6 million.

Excluding TFK, the Group's operating revenue improved 10.7% to $432.3 million. Aviation revenue grew 14.5% to $246.7 million while non-aviation revenue rose 6.6% to $183.3 million.

Operating expenses were up 29.8% to $454.7 million, in line with the increase in activity levels and the inclusion of TFK. As a result, SATS earned an operating profit of $50.2 million, 24.6% higher than a year ago. Excluding exceptional items of $2.7 million in M&A costs in 4Q2010-11 and $1.5 million jobs credit received in 4Q2009-10, SATS' underlying operating profit would be $52.9 million, up 36.3% year-on-year.

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 expressed in S$.

Share of profits of associated/JV companies grew 17.7% to $15.3 million due mainly to the maiden contribution of $6.4 million by Air India SATS Airport Services (AISATS). Consequently, SATS' pre-tax profit rose 23.5% to $65.2 million and its profit attributable to equity holders was 9% higher at $50.7 million. Excluding the exceptional items, SATS' underlying net profit would have increased 18.7% to $53.4 million.

FY2010-11 vs FY2009-10

SATS operating revenue rose 12.4% to $1.73 billion due to higher revenue reported across all business divisions and the inclusion of TFK's maiden revenue contribution.

Excluding TFK, the Group's operating revenue increased 7.6% to $1.66 billion, led by a 10.1% growth in aviation revenue to $952 million and a 4.8% increase in non-aviation revenue to $694.4 million.

Operating profit was $184.5 million. Excluding exceptional items of $6 million in M&A costs in FY2010-11 and $17.1 million jobs credit received in FY2009-10, SATS' underlying operating profit improved 13.9% to $190.5 million.

Contributions from associated/JV companies grew 46.1% to $61.2 million due to better performance reported by the ground handling JVs as well as the recognition of AISATS' profits. As a result, SATS' pre-tax profit increased 10.1% to $245.5 million while its profit attributable to equity holders improved 5.6% to $191.4 million. Without the exceptional items, SATS' underlying net profit would be $197.4 million, up 20.3% year-on-year.

GROUP FINANCIAL POSITION

As at 31 March 2011, equity attributable to equity holders of the Group was $1.52 billion, up 2.7% from a year ago. This was mainly due to the addition of the full-year net profit, which was partially offset by the distribution of final and interim dividends amounting to $143.5 million.

Total assets stood at $2.31 billion, up 20.9% year-on-year. The consolidation of TFK's assets and liabilities has resulted in an increase in the total assets and liabilities of the Group.

Net asset value per share increased from $1.36 to $1.37 while the Group's cash balance was $296.1 million. Free cash flow generated during the year was $132.2 million, down 30% year-on-year due to increase in working capital and higher capital expenditure arising from the launch of Coolport@Changi and technical ramp service at Singapore Changi Airport as well as the new Grimsby plant in the UK.

Debt financing for the acquisition of TFK saw SATS' debt to equity ratio increase from 0.02 to 0.12 times.

OPERATING DATA FOR AVIATION BUSINESS

	4Q2010-11	4Q2009-10	% change
Unit services handled ('000)	21.37	19.70	8.5
Flights handled ('000)	26.69	24.37	9.6
Cargo/mail processed ('000 tonnes)	360.03	353.57	1.8
Passengers handled ('m)	8.79	8.51	3.4
Unit meals produced ('m)	4.95	4.70	5.2
Gross meals produced ('m)	6.27	5.98	4.9

	FY2010-11	FY2009-10	% change
Unit services handled ('000)	84.05	79.32	6.0
Flights handled ('000)	103.73	96.28	7.7
Cargo/mail processed ('000 tonnes)	1,494.66	1,406.88	6.2
Passengers handled ('m)	35.38	32.99	7.2
Unit meals produced ('m)	19.78	18.53	6.7
Gross meals produced ('m)	25.06	23.47	6.8

All operating indices continued to register year-on-year improvements in 4Q2010-11. Flights handled and unit services grew 9.6% and 8.5% respectively as a result of increased flights from both full-service and low-cost carriers. Gross and unit meals rose 4.9% and 5.2% respectively, faster than the 3.4% growth in passenger traffic. Cargo throughput continued to see a slowdown in growth as it recorded a slight increase of 1.8% in the fourth quarter.

For full year, higher volumes were recorded across all operating indices due to the continued recovery of the aviation industry.

PROPOSED DIVIDENDS

In view of the Group's financial performance in FY2010-11 and its capital structure, the Board has recommended a final dividend of 6 cents per share and a special dividend of 6 cents per share. Including the interim dividend of 5 cents per share paid earlier on 2 December 2010, the proposed total dividend will be 17 cents per share. This represents a dividend payout ratio of 98.4% of profit attributable to equity holders for FY2010-11. The proposed final and special dividends, upon shareholders' approval, will be paid on 17 August 2011.

OUTLOOK

Singapore's economy is anticipated to grow at a moderate pace in 2011. The global economy, on the other hand, remains uncertain and it does not help that the recent disasters in Japan have dampened the aviation recovery.

SATS will focus on strengthening its Japan operations in this current financial year by leveraging on the combined competencies within the Group's aviation network. While it maintains that TFK will not have a material effect on the Group's performance in FY2011-12, it will remain vigilant over the emerging situation in Japan and take appropriate actions should the situation deteriorate.

TFK and recent joint ventures, AISATS and Adel Abuljadayel Flight Catering (AAFC) in Saudi Arabia underscore SATS' continuous efforts to strengthen its international network to serve key airline customers in more locations. AISATS and AAFC are expected to be earnings accretive in FY2011-12.

In Singapore, SATS will persist to mitigate general cost inflation with productivity enhancement projects. The Group will continue to drive innovation and process enhancements to deliver sustained organic growth.

ABOUT SATS LTD.

With over 60 years of operating experience and an emerging global presence, SATS is Singapore's leading provider of gateway services and food solutions.

Our comprehensive scope of gateway services encompasses airfreight handling, passenger services, ramp handling, baggage handling, aviation security, aircraft interior and exterior cleaning while our food solutions business comprises airline catering, food distribution and logistics, industrial catering, ambient, 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, please visit www.sats.com.sg

ANNOUNCEMENT INFORMATION

The complete SATS Group's 4Q and FY2010-11 results are available on the following websites: www.sats.com.sg and www.irasia.com/listco/sg/sats/index.htm.

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ANNEX A

GROUP FINANCIAL STATISTICS

Financial Results (S$ million)	4Q2010-11	4Q2009-10	FY2010-11	FY2009-10
Total revenue	504.9	390.6	1,729.1	1,538.9
Total expenditure	454.7	350.3	1,544.6	1,354.5
Operating profit	50.2	40.3	184.5	184.4
Share of profits of associated/JV companies	15.3	13.0	61.2	41.9
Non-operating income / (expenses)	(0.3)	(0.5)	(0.2)	(3.3)
Profit before taxation	65.2	52.8	245.5	223.0
Profit attributable to equity holders	50.7	46.5	191.4	181.2
Underlying operating profit	52.9	38.8	190.5	167.3
Underlying net profit	53.4	45.0	197.4	164.1
Per Share Data				
Earnings after tax (cents) - basic [R1]	4.6	4.3	17.4	16.7
- diluted [R2]	4.6	4.2	17.3	16.7
Return on turnover (%) [R3]	10.0	11.9	11.1	11.8

Financial Position (S$ million)	As at 31-Mar-11	As at 31-Mar-10
Equity attributable to equity holders	1,521.2	1,481.8
Total assets	2,308.1	1,909.1
Total debt	184.5	24.1
Gross debt/equity ratio (times) [R4]	0.12	0.02
Net asset value per share ($) [R5]	1.37	1.36

Dividends (cents per share)	FY2010-11	FY2009-10
Interim Dividend	5.0	5.0
Proposed Final Dividend	6.0	8.0
Proposed Special Dividend	6.0	-
Total Dividends	17.0	13.0
Payout Ratio (%)	98.4	78.5

[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.