



SGX Corporate Connect Seminar

Powering Up for Growth

3 Sep 2015

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.

SATS At A Glance

Our Business

Food Solutions



Airline catering



Institutional catering



Food distribution and logistics



Airline linen laundry

Gateway Services



Passenger services and lounge management



Ramp and baggage handling



Airfreight handling and logistics



Aviation security



Cruise centre management

Financial Summary

\$1.8 billion

Revenue¹

\$195.7 million

PATMI¹

\$48.1 million

**Share of results of
Associates/JV¹**

\$2.1 billion

Assets²

13.7%

Return on equity¹

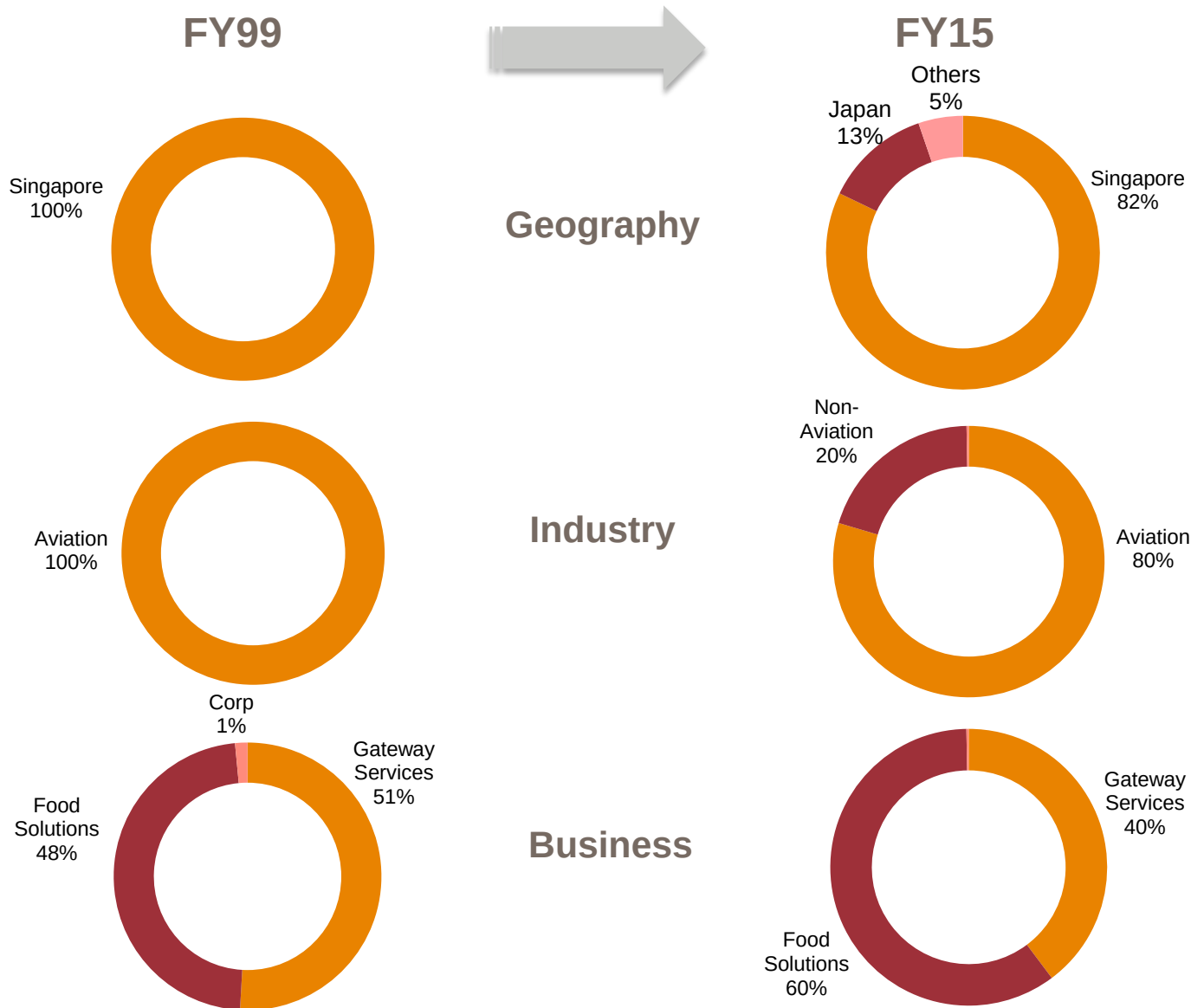
\$4 billion

Market cap³



¹ For the twelve months ended 31 March 2015, ² As of 30 June 2015, ³ As of 31 August 2015

Revenue Growth Beyond Singapore and Aviation



Asia's Largest Food and Gateway Services Network

43 Airports

11 Countries

638,000

Flights¹



83 million

Passengers¹



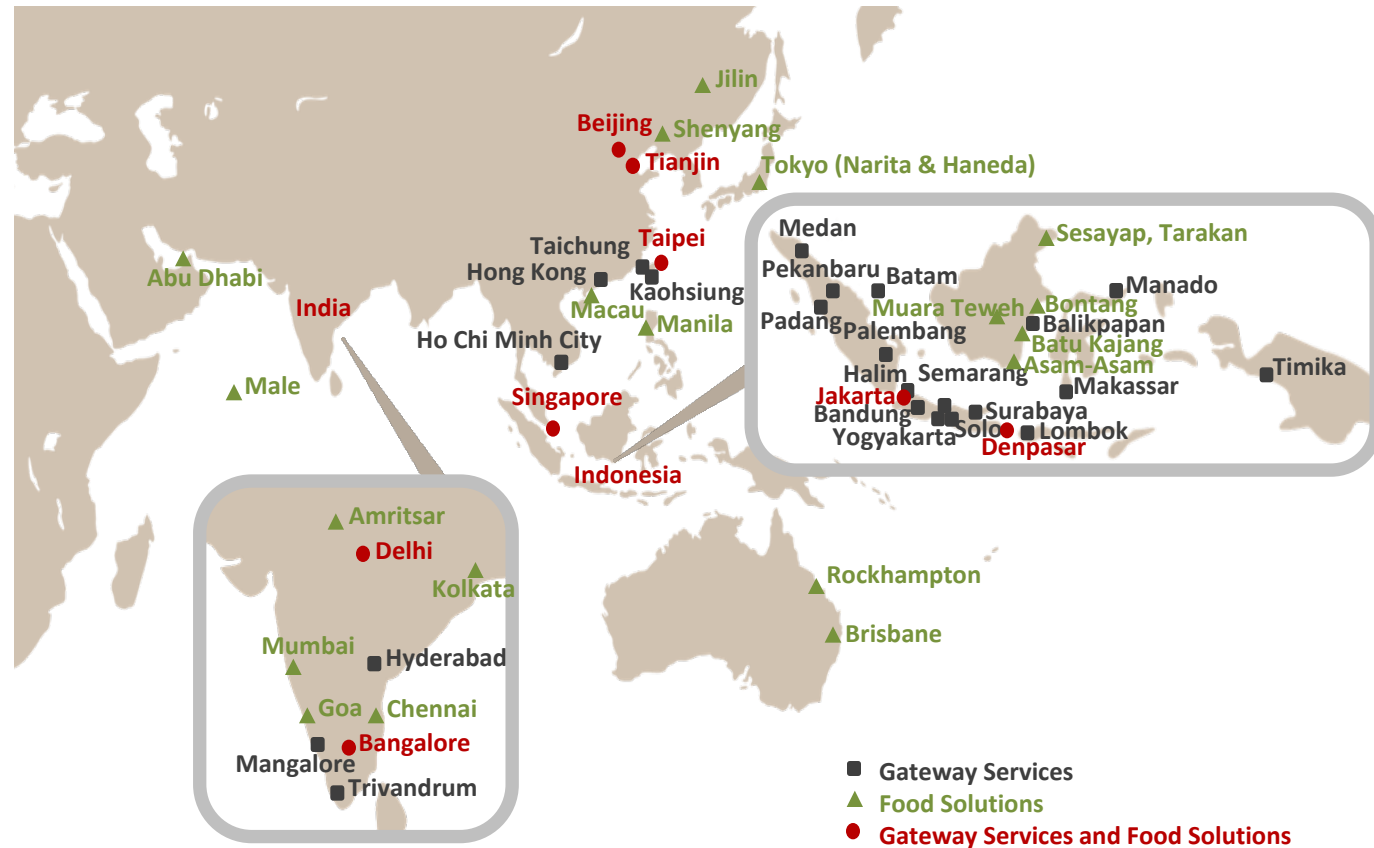
84 million

Meals¹



4 million

Tonnes of cargo¹



¹ Based on FY15 aviation statistics for Singapore and overseas operations

Our Vision and Mission

Vision

SATS is **Asia's leading** food solutions and gateway services company

We **operate state-of-the-art facilities** to provide food solutions that delight our customers

We **improve connectivity** for our customers through our **comprehensive** gateway services across the region

Mission

To be the **first-choice** provider of food solutions and gateway services by **delighting customers** with our **innovation** and **passion**



Our Performance

Share Price Performance vs. STI (5 Years)

Total return
incl. dividends

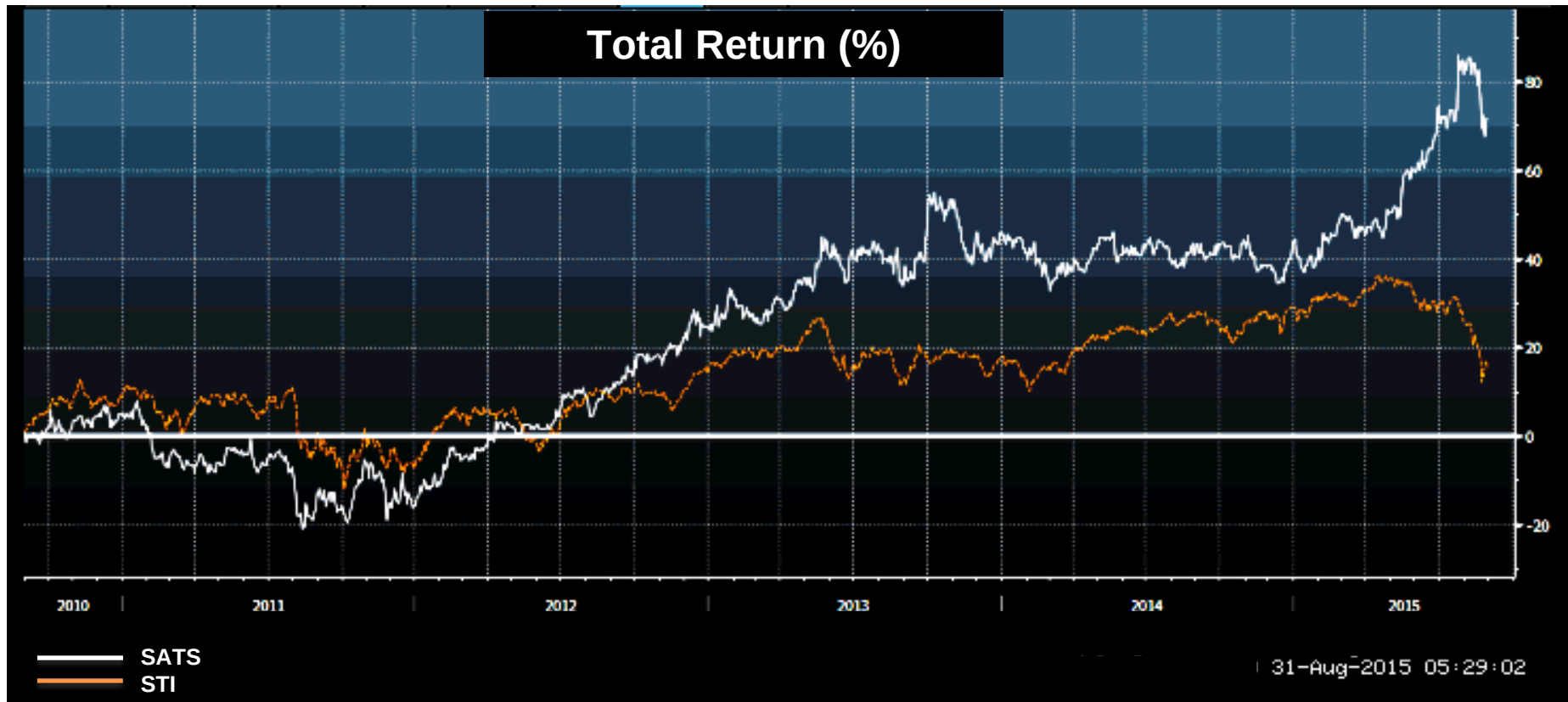


+72%

SATS

+15%

Straits Times Index



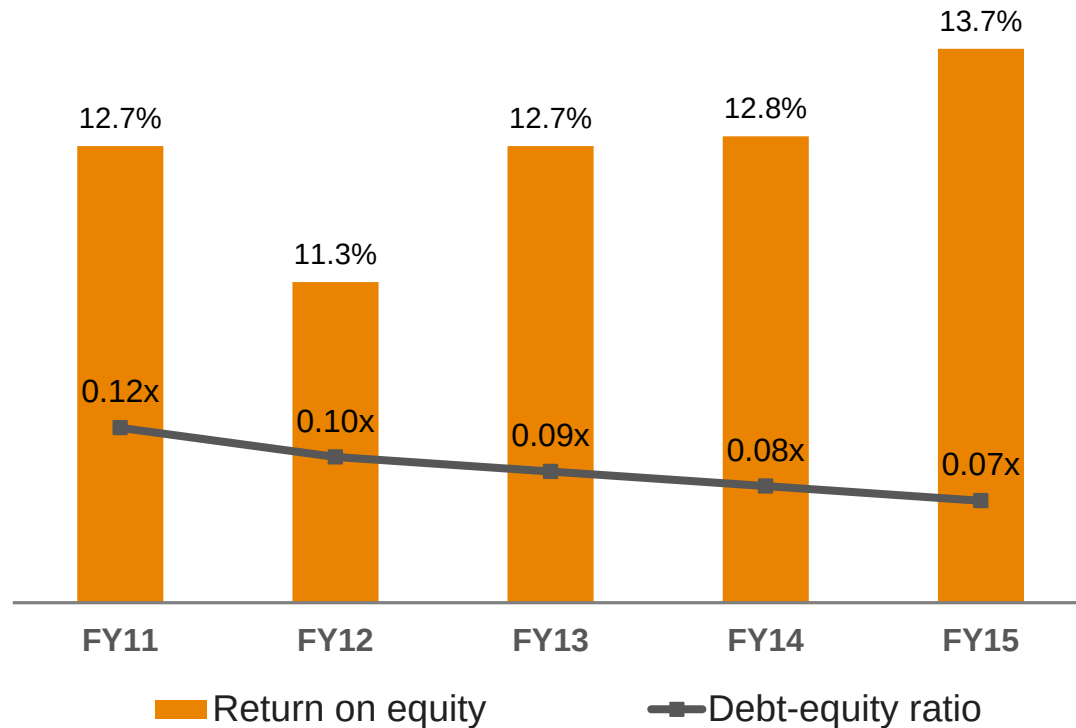
Source: Bloomberg, As of 31 August 2015

Improving Return on Equity, Strong Balance Sheet

\$366.6 million

Net Cash ¹

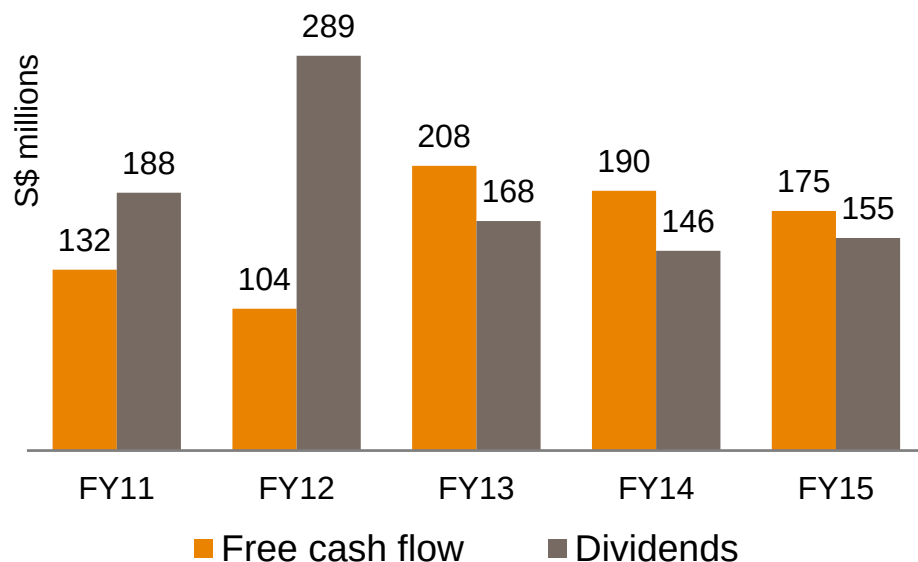
Return on Equity and Debt-Equity Ratio



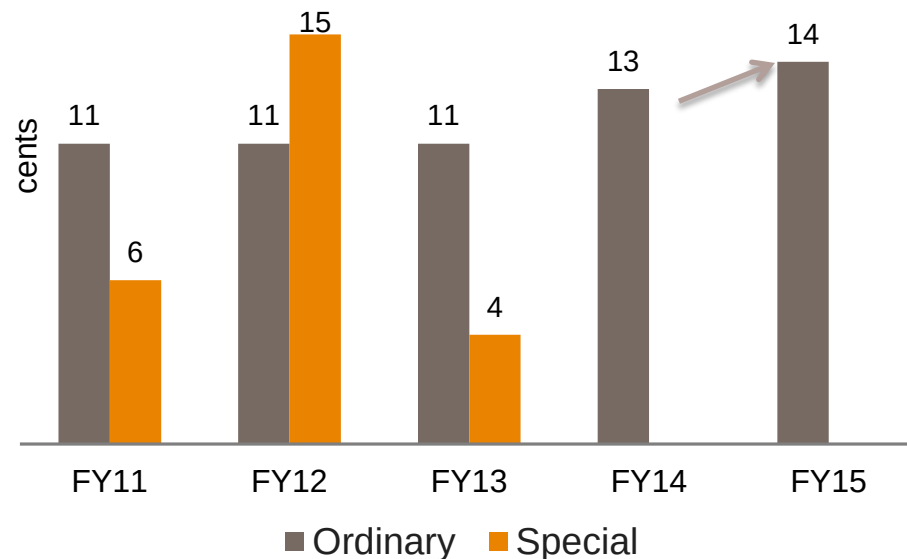
¹ As of 30 June 2015

Resilient Cash Flows, Growing Ordinary Dividends

Free Cash Flow and Dividends



Dividend Per Share



Powering Up For Growth



Growing Asian Demand for Safe, Healthy and Cosmopolitan Food

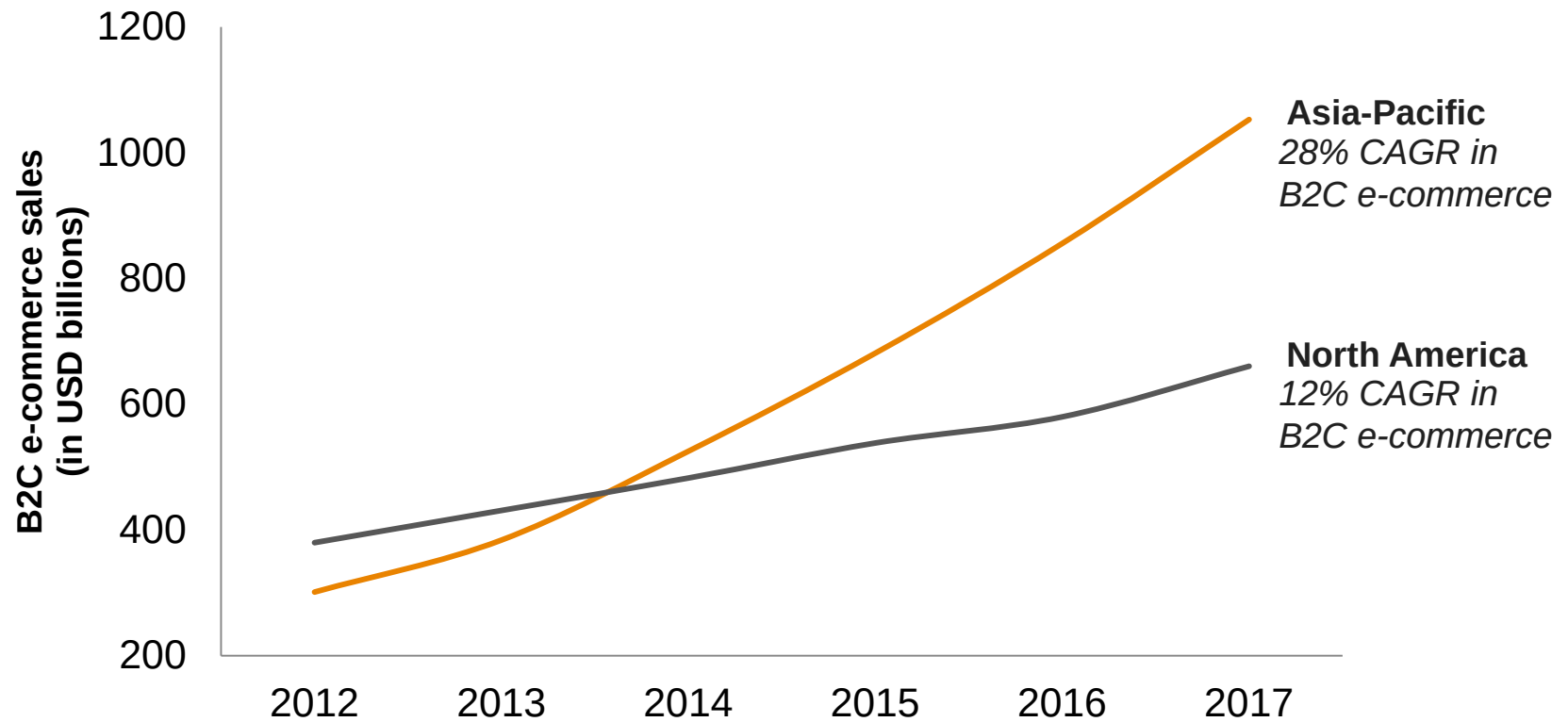
Food Consumption ^a	2010 – 2020 CAGR %
Asia-9 ^b	7.0
China	8.1
Indonesia	5.9
Philippines	4.1
Singapore	8.0



^a DBS Group Research, BMI (assume constant USD)

^b China, Hong Kong, Taiwan, Korea, Singapore, Malaysia, Indonesia, Thailand, Philippines

...for e-Commerce

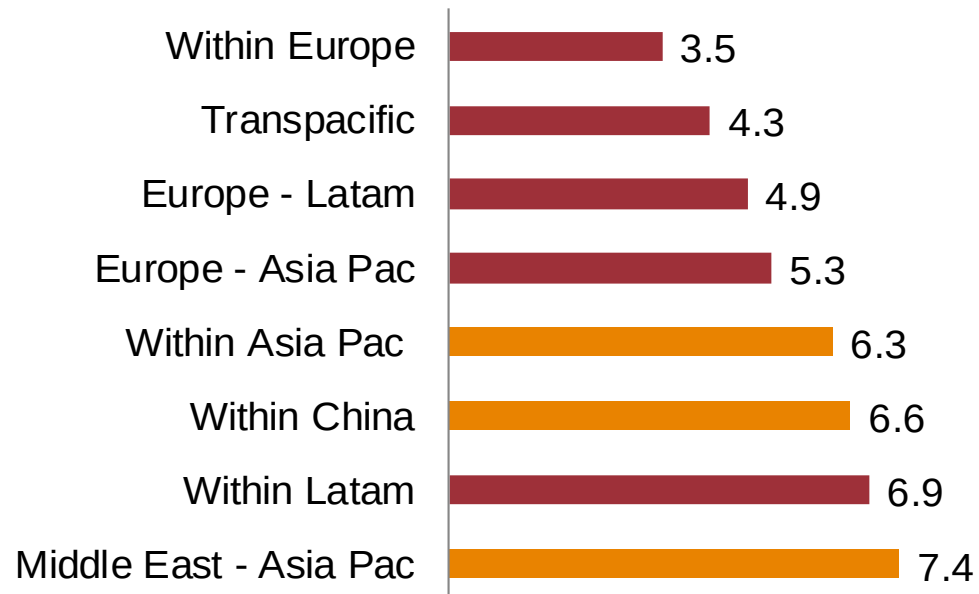


Source: eMarketer, January 2014

...for Travel

Air Travel Penetration Rate (%) ^a					
Asia	0.4	Europe	3.3	N. America	5.6

Asia Pacific Air Traffic to Grow 6.3% Annually Until 2033^b



Airport Infrastructure Upgrades Across Asia

Airport	Current Capacity <i>(in millions of passengers)</i>	Planned Capacity	Completion
Al Maktoum International Airport, Dubai	66	200	2020
Beijing International Airport, China	76	142	2020
Changi Airport, Singapore	66	135	mid-2020s
Incheon International Airport, South Korea	44	100	2020
Suvarnabhumi Airport, Thailand	45	85	2020
Soekarno-Hatta International Airport, Indonesia	22	62	2015
Chhatrapati Shivaji International Airport, India	40	60	2019

Near-Term Outlook

Competition between airlines in Asia continues to be intense amid relatively low growth in air traffic in the near term.

Despite slower economic growth and rising manpower costs, the structural growth prospects of Asia remain strong with rapid urbanisation and growth of the middle class.

The Group is well-positioned to capture these opportunities. We are progressing well with our strategy of driving productivity through scale and connectivity, and launching new ventures that will support our future growth.

Scale and Connectivity

- SATS is Asia's largest food solutions and gateway services company
- Our focus is to grow scale and enhance connectivity



- We will continue to leverage technology to improve productivity, reduce costs and develop new revenue streams



End

Appendix – 1Q FY15/16 Performance Review

Operating Statistics for Singapore Aviation Business

	1Q15/16	1Q14/15	Change (%)
Passengers Handled ('M)	10.04	10.69	(6.1)
Flights Handled ('000)	30.15	33.17	(9.1)
Unit Services Handled ('000)	27.10	28.30	(4.2)
Cargo/Mail Processed ('000 tonnes)	390.10	388.39	0.4
Gross Meals Produced ('M)	6.65	6.47	2.8
Unit Meals Produced ('M)	5.24	5.11	2.5



* The above aviation operating data cover Singapore operations only.

* Except for unit and gross meals produced, all data include LCC operations.

1Q15/16 Financials

\$M	1Q15/16	1Q14/15	Favourable/ (Unfavourable) Change (%)
Revenue	416.9	435.2	(4.2)
Expenditure	(372.9)	(395.5)	5.7
Operating Profit	44.0	39.7	10.8
EBITDA	62.2	56.5	10.1
Share of Results of Associates/JVs, Net of Tax	12.8	10.4	23.1
Impairment of Assets Held for Sale	-	(0.1)	n.m.
Net gain from transfer of business to a JV	2.5	-	n.m.
PBT	59.9	49.0	22.2
PATMI	49.6	43.3	14.5
<i>Underlying Net Profit*</i>	<i>47.1</i>	<i>43.4</i>	<i>8.5</i>

n.m. – not meaningful

** Underlying net profit refers to profit attributable to owners of the Company excluding one-off items – net gain from transfer of business to a JV and impairment loss on carrying value of Assets Held for Sale.*

Financial Indicators

%	1Q15/16	1Q14/15	Change (ppt)
Operating Margin	10.6	9.1	1.5
EBITDA Margin	14.9	13.0	1.9
PBT Margin	14.4	11.3	3.1
PATMI Margin	11.9	9.9	2.0
Underlying Net Margin	11.3	10.0	1.3

	1Q15/16	1Q14/15	Change (%)
EPS Based on PATMI (cents)	4.5	3.9	15.4

	30 JUN 15	31 MAR 15
NAV Per Share (\$)	1.34	1.30
Debt-to-Equity Ratio	0.07	0.07

Overall, margins and EPS have improved.

Group Segmental Revenue

\$M	1Q15/16	1Q14/15	Change (%)
By Business:			
Food Solutions	241.1	262.7	(8.2)
Gateway Services	174.7	171.2	2.0
Corporate	1.1	1.3	(15.4)
Total	416.9	435.2	(4.2)
By Industry:			
Aviation	342.8	352.4	(2.7)
Non-Aviation	73.0	81.5	(10.4)
Corporate	1.1	1.3	(15.4)
Total	416.9	435.2	(4.2)
By Geographical Location:			
Singapore	350.5	355.9	(1.5)
Japan	48.6	59.1	(17.8)
Others	17.8	20.2	(11.9)
Total	416.9	435.2	(4.2)

Revenue mix between Food and Gateway unchanged at 60:40.

Group Expenditure

\$M	1Q15/16	1Q14/15	Favourable/ (Unfavourable) Change (%)
Staff Costs	200.1	203.9	1.9
Cost of Raw Materials	75.9	85.3	11.0
Licence Fees	17.0	19.4	12.4
Depreciation & Amortisation	17.3	16.9	(2.4)
Company Premise & Utilities Expenses	29.4	30.9	4.9
Other Costs	33.2	39.1	15.1
Group Expenditure	372.9	395.5	5.7
Group Revenue	416.9	435.2	(4.2)

Operating expenditure declined at a faster rate than the drop in revenue.
Lower cost of raw materials was due to better sourcing and in line with
lower food solutions revenue.

Associates/JVs Performance by Business

\$M	1Q15/16	1Q14/15	Change (%)
PAT	12.8	10.4	23.1
Food Solutions	2.6	1.2	116.7
Gateway Services	10.2	9.2	10.9
Dividends Received	17.6	18.1	(2.8)

AISATS, AAT, BAIK, MIC and PT JAS together contributed approximately 80% of our share of after-tax profits from associates/JVs.

Both food and gateway associates/JVs continue to show strength.

Group Balance Sheet

\$M	As at 30 JUN 15	As at 31 MAR 15
Total Equity	1,553.3	1,517.6
Long-term Loans	86.1	89.7
Other Long-Term Liabilities	65.9	66.6
Current Liabilities	353.1	345.8
Total Equity & Liabilities	2,058.4	2,019.7
Fixed Assets & Investment Property	545.4	558.7
Associated Companies & JVs	484.3	464.8
Intangible Assets	162.8	165.5
Other Non-Current Assets & Long-Term Investment	39.8	38.0
Current Assets		
<i>Cash & Short-Term Deposits</i>	467.6	410.9
<i>Debtors & Other Current Assets</i>	358.5	381.8
Total Assets	2,058.4	2,019.7

Cash & short-term deposits increased mainly due to higher cash generated from operating activities, dividends from associates/JVs and proceeds from exercise of share options.

Group Cash Flow Statement

\$M	1Q15/16	1Q14/15	Difference
Net Cash From Operating Activities	26.9	45.3	(18.4)
Net Cash From Investing Activities	10.4	5.5	4.9
Net Cash From Financing Activities	1.9	4.2	(2.3)
Net Increase In Cash & Cash Equivalents	39.2	55.0	(15.8)
Cash & Cash Equivalents At End Of Financial Period	467.6	395.1	72.5
Free Cash Flow*	21.0	31.1	(10.1)

Net cash from investing activities was higher due to lower capital expenditure, partly offset by lower dividends from associates and net investment in SATS BRF Food.



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