



Citi ASEAN Investor Conference 2014

12 – 13 June 2014

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 handling and terminal management



Financial summary

\$1.8 billion

Revenue¹

\$2.0 billion

Assets²

\$3.5 billion

Market cap³

\$47.2 million

**Share of results of
Associates/JVs¹**

\$180.4 million

PATMI¹

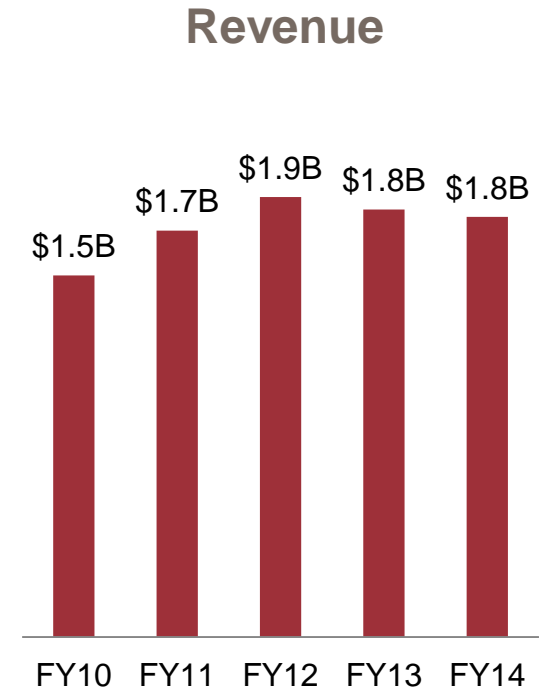
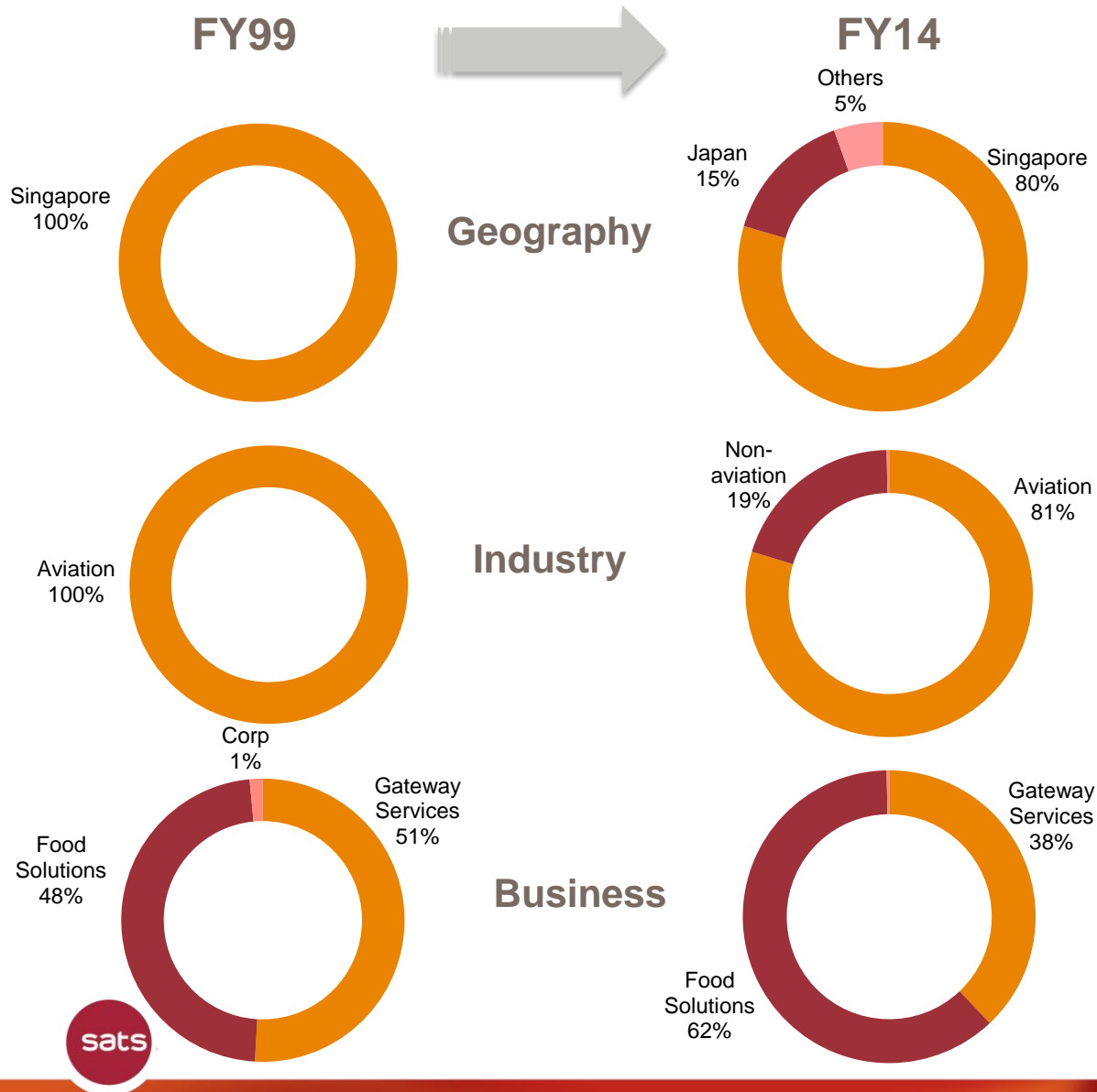
12.8%

Return on equity¹



¹ For the twelve months ended 31 March 2014, ² As of 31 March 2014, ³ As of 30 May 2014

Revenue growth beyond Singapore & aviation



Performance vs. STI over the last five years

Total return
incl. dividends

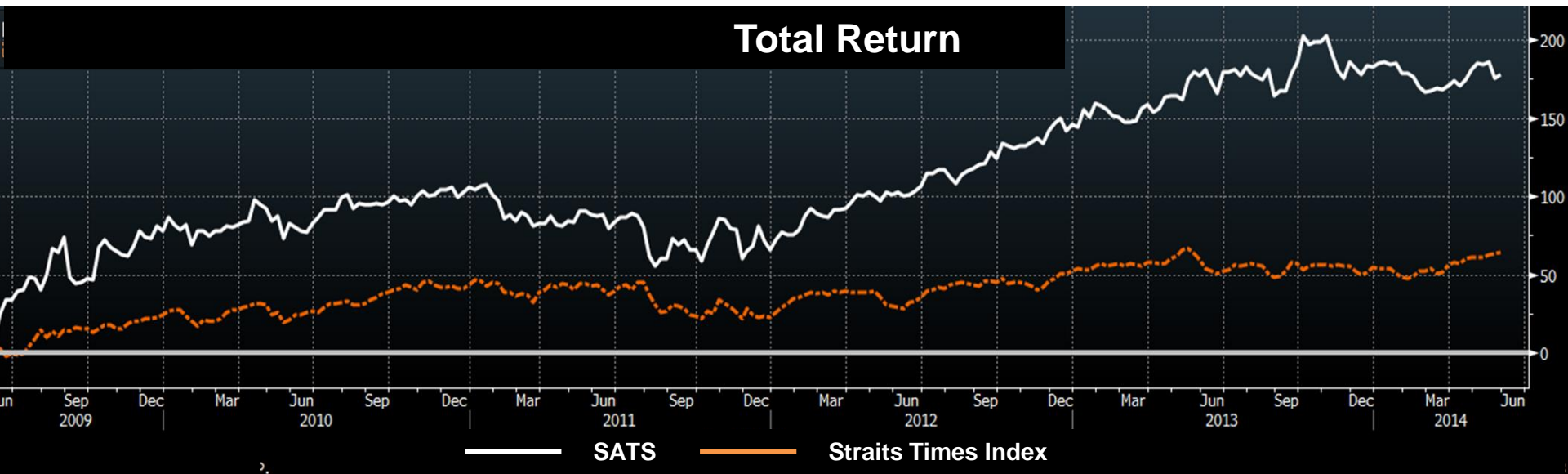


+178%

SATS

+64%

Straits Times Index



Source: Bloomberg, As of 30 May 2014



Financial flexibility to seek strategic opportunities

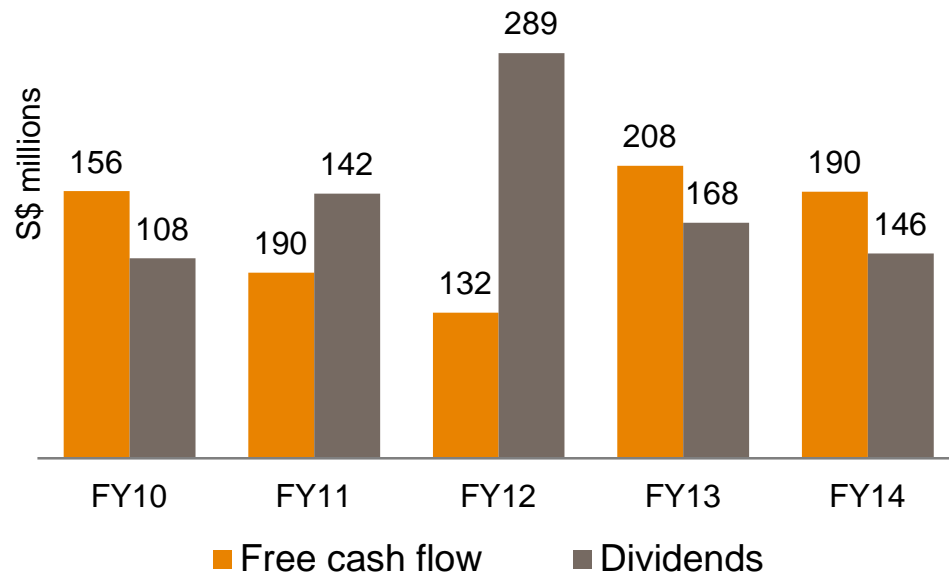
\$339.6 million

Cash reserves^{1,2}

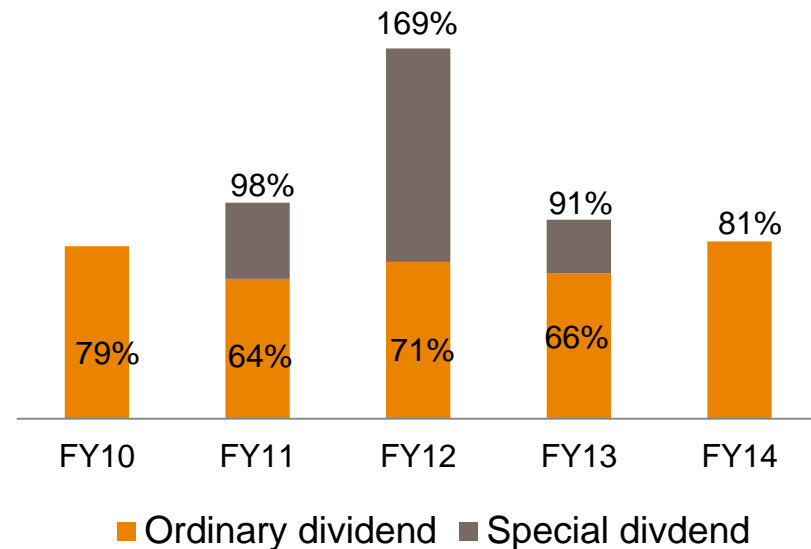
0.08 times

Debt-to-equity ratio²

Free cash flow & Dividends



Dividend payout ratio



¹ Cash and cash equivalents, ² As of 31 March 2014

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

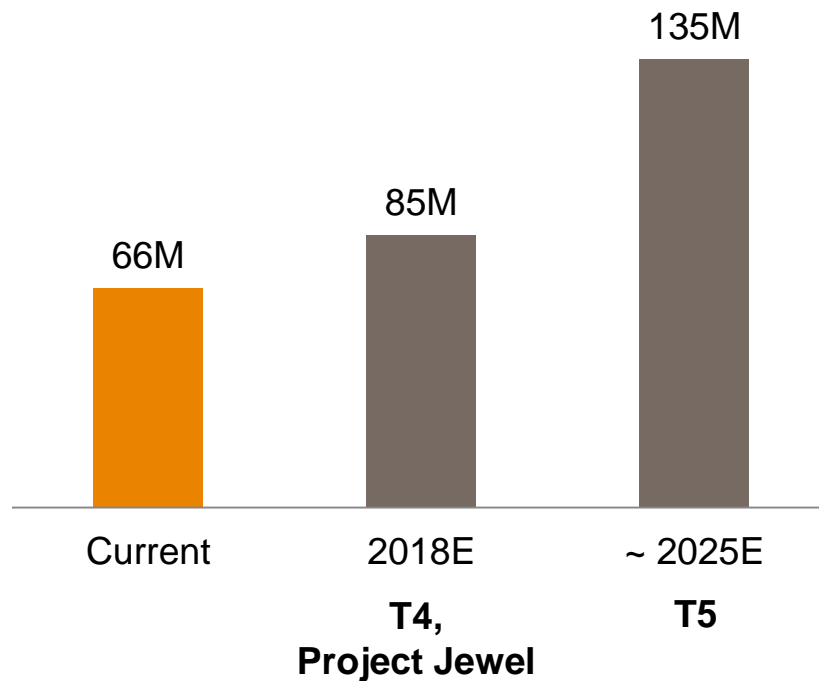
Mission

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

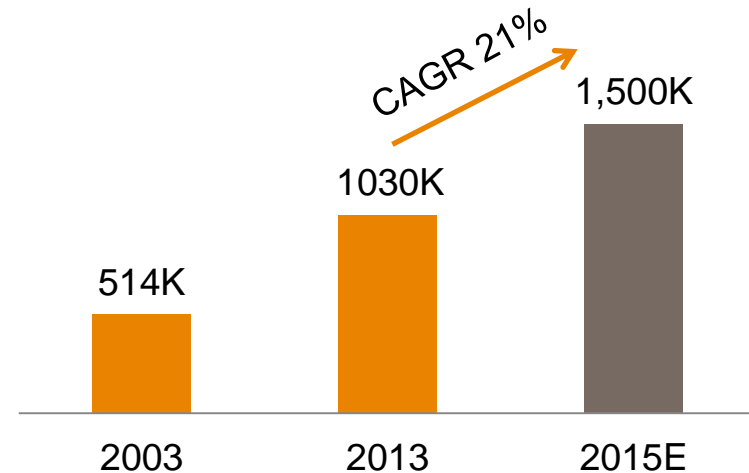


Singapore - healthy underlying demand growth

Changi Airport capacity¹



Cruise passenger throughput²



¹ Changi Airport Group, ² Singapore Tourism Board

Largest inflight and institutional caterer

- 7 production facilities
- Over 40 international and award winning chefs
- More than 800 weekly inflight menu types, including special meals
- Team of dieticians and food technologists
- Highest standards of food hygiene and food safety



Tailor-made food solutions for varying customer needs

Range of offerings

Cook fresh



Cook chill



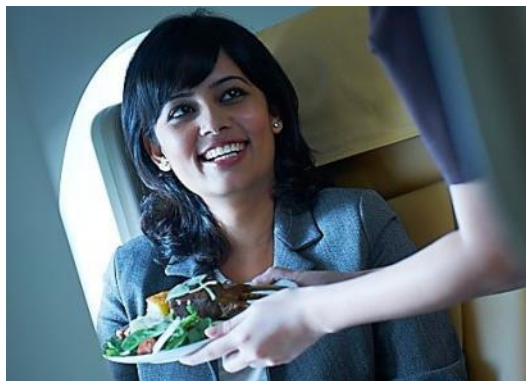
Cook freeze



Retort

Range of customers

Hospitality



Healthcare



Education



Retailers



Comprehensive gateway hub handling capabilities

Presence
in Singapore



Changi Airport T1-3 Airfreight Terminals 1-6
Marina Bay Cruise Centre Singapore

Passenger services



Ramp handling



Cruise handling



Transshipment freight handling

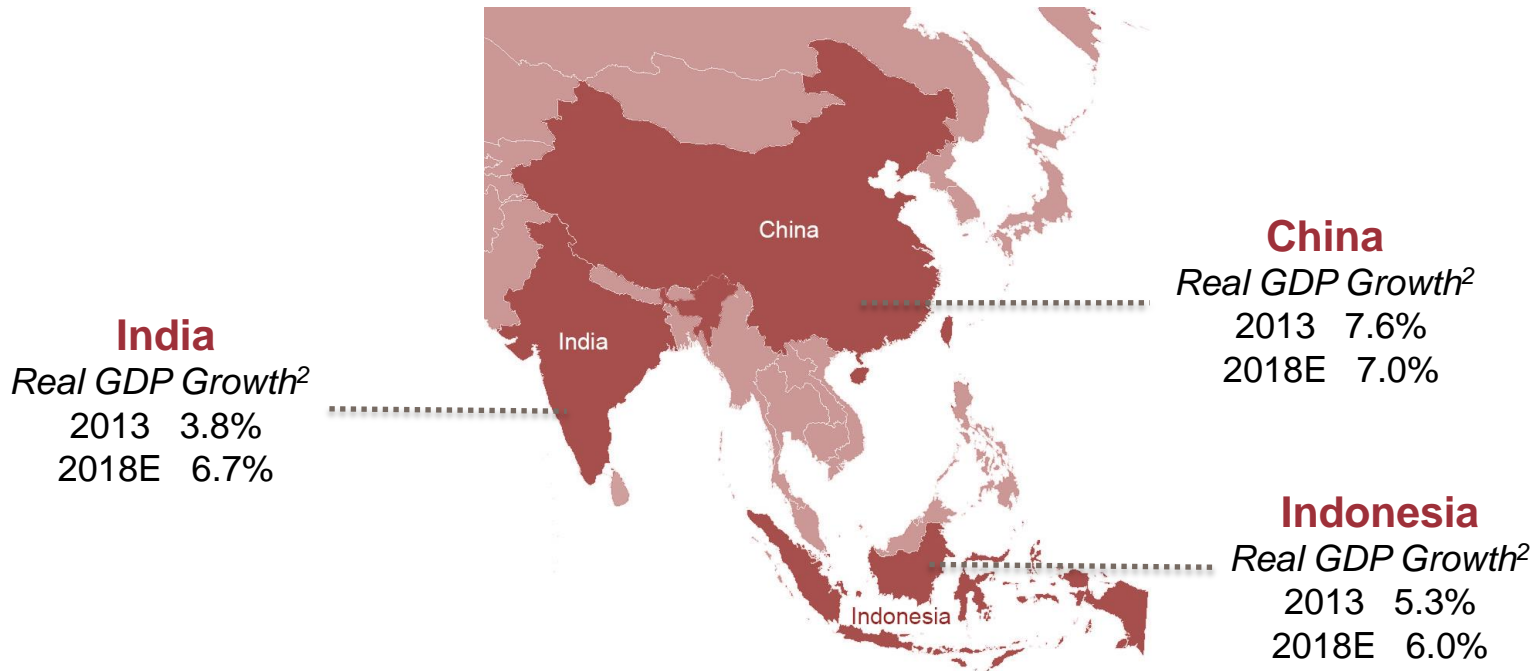


Perishable handling



Booming Asian middle class population

Asia Pacific to account for two-thirds of the world's middle class by 2030¹



Demand for safe, healthy and cosmopolitan food

Food consumption – Size of market in USD (billion)

Food Consumption	2010	2020E	CAGR %
Asia-9 ^a	1,146	2,257	7.0
Asean-5 ^b	351	606	5.6
China	676	1,475	8.1
Indonesia	191	339	5.9
Philippines	66	99	4.1
Thailand	59	106	6.0
Malaysia	29	49	5.4
Singapore	6	13	8.0

Source: DBS Group Research, BMI (assume constant USD)



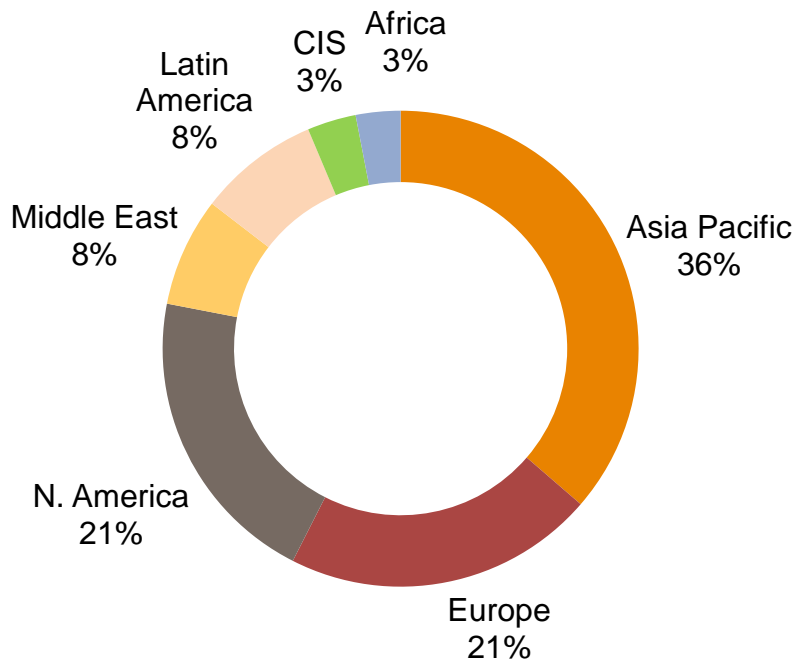
^a China, Hong Kong, Taiwan, Korea, Singapore, Malaysia, Indonesia, Thailand, Philippines

^b Singapore, Malaysia, Indonesia, Thailand, Philippines

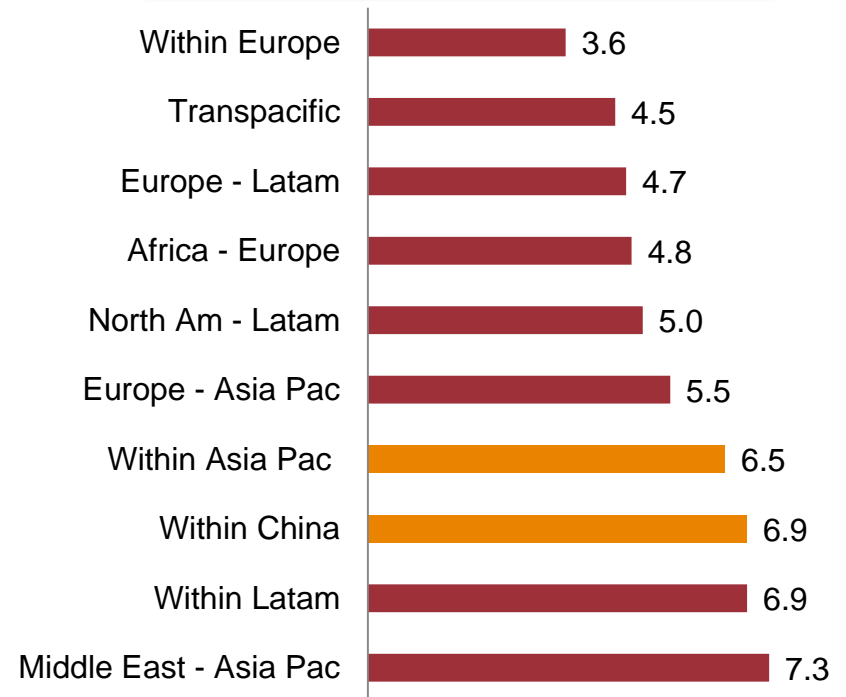
Demand for trade and travel

Over the next two decades

Asia Pacific to account for
~ 40% of aircraft deliveries



Asia Pacific air traffic to
grow ~ 7% annually



Source: Current Market Outlook 2013, Boeing

Food - we will grow scale overseas

Tokyo:

- 2 kitchens at Haneda and Narita airports

Other JVs/Associates:

- Evergreen Sky Catering (Taiwan)
- Beijing Airport Inflight Kitchen (China)
- Taj SATS Air Catering (India)
- MacroAsia Catering Services (Philippines), etc.



21 Airports **11** Countries



Gateway - we will link operations, improve connectivity



31 Airports

6 Countries



Scale and Connectivity

- SATS is Asia's largest food solutions and gateway services company
 - Proven track record
 - comprehensive network with presence in 44 airports, 12 countries



- We will use state-of-the-art technology to address rising manpower costs and develop new revenue streams

Appendix

Executive Summary: FY13/14 Performance

- Challenging operating landscape
- All operating metrics grew y-o-y except meal volumes
- PATMI declined 2.4%
- ROE held up at 12.8%, 0.1ppt higher than last year
- Free cash flow generated during the year was \$189.8M
- Proposed final ordinary dividend of 8 cents per share, bringing FY DPS to 13 cents. Translates to a payout ratio of 80.8%
- Good opportunities in Asia to grow scale and enhance connectivity as demonstrated by our recent acquisition of PT CAS in Indonesia

Operating Statistics for Singapore Aviation Business

	4Q13/14	4Q12/13	% Change	FY13/14	FY12/13	% Change
Passengers Handled ('M)	10.53	10.51	0.2	43.47	41.23	5.4
Flights Handled ('000)	33.52	31.42	6.7	134.09	123.01	9.0
Unit Services ('000)	27.52	26.67	3.2	110.66	103.80	6.6
Cargo ('000 tonnes)	373.38	357.80	4.4	1,500.49	1,463.09	2.6
Gross Meals Produced ('M)	6.37	6.94	(8.2)	26.11	28.26	(7.6)
Unit Meals Produced ('M)	5.03	5.37	(6.3)	20.59	21.85	(5.8)

In 4Q and FY13/14, all operating metrics grew y-o-y except gross and unit meals



- * The above aviation operating data cover Singapore operations only.
- * Except for unit and gross meals produced, all data include LCC operations.

FY13/14 Highlights

Revenue

\$1,786.7M -1.8%

- Revenue declined 1.8% due to lower food revenue (-5.2%), offset partially by higher gateway revenue (+4.5%).

Operating Profit

\$171.0M -11.1%

- Operating profit decreased 11.1% on rising manpower costs and lower revenue.

Share of results of Associates/JV, net of tax

\$47.2M -10.4%

- Share of results of Associates/JV dropped 10.4%.

PATMI

\$180.4M -2.4%

- PATMI declined 2.4%. The Group took an impairment provision of \$2.6M for assets held for sale.
- Excluding one-off items, underlying net profit was \$183M.

ROE

12.8% +0.1 ppt

- ROE improved and debt-to-equity ratio remained healthy at 0.08 times.
- Cash and cash equivalents as at 31 March 2014 was \$339.6M, down 16% y-o-y.
- Free cash flow generated during the year was \$189.8M.



4Q and FY13/14 Financials

\$M	4Q13/14	4Q12/13	Favourable/ (Unfavourable) %	FY13/14	FY12/13	Favourable/ (Unfavourable) %
Revenue	434.6	449.0	(3.2)	1,786.7	1,819.0	(1.8)
Expenditure	(392.9)	(394.9)	0.5	(1,615.7)	(1,626.7)	0.7
Operating Profit	41.7	54.1	(22.9)	171.0	192.3	(11.1)
EBITDA	61.1	77.2	(20.9)	248.1	285.2	(13.0)
Share of Results of Associates/JV, Net of Tax	9.9	18.5	(46.5)	47.2	52.7	(10.4)
Impairment of Assets Held for Sale	(0.9)	-	n.m.	(2.6)	-	n.m.
PBT	51.0	72.4	(29.6)	215.5	241.3	(10.7)
PATMI	42.6	46.2	(7.8)	180.4	184.8	(2.4)
<i>Underlying Net Profit from Continuing Operations*</i>	43.5	63.0	(31.0)	183.0	202.0	(9.4)

n.m. – not meaningful

* Underlying net profit from continuing operations refers to profit attributable to owners of the Company excluding one-off items



Underlying Net Profit

\$M	4Q13/14	4Q12/13	FY13/14	FY12/13
Profit Attributable to Owners of the Company	42.6	46.2	180.4	184.8
One-offs:				
<i>Impairment of Assets Held for Sale</i>	0.9	-	2.6	-
<i>Loss on Disposal of Country Foods Macau</i>	-	-	-	0.4
<i>Impairment of Daniels' Deferred Consideration</i>	-	16.8	-	16.8
Underlying Net Profit	43.5	63.0	183.0	202.0

Financial Indicators

%	4Q13/14	4Q12/13	Change (ppt)	FY13/14	FY12/13	Change (ppt)
Operating Margin	9.6	12.0	(2.4)	9.6	10.6	(1.0)
EBITDA Margin	14.1	17.2	(3.1)	13.9	15.7	(1.8)
PBT Margin	11.7	16.1	(4.4)	12.1	13.3	(1.2)
PATMI Margin	9.8	10.3	(0.5)	10.1	10.2	(0.1)
Underlying Net Margin	10.0	14.0	(4.0)	10.2	11.1	(0.9)

Cents	4Q13/14	4Q12/13	% Change	FY13/14	FY12/13	% Change
EPS Based on Net Profit Attributable to Shareholders	3.8	4.2	(9.5)	16.1	16.6	(3.0)

	31 MAR 14	31 MAR 13
NAV Per Share (\$)	1.27	1.26
Debt Equity Ratio	0.08	0.09
Return on Equity (%)	12.8	12.7

ROE improved while debt-to-equity remained healthy



Group Segmental Revenue

\$M	4Q13/14	4Q12/13	% Change	FY13/14	FY12/13	% Change
By Business:						
Gateway Services	167.1	165.3	1.1	678.1	648.7	4.5
Food Solutions	266.3	282.3	(5.7)	1,103.6	1,164.7	(5.2)
Corporate	1.2	1.4	(14.3)	5.0	5.6	(10.7)
Total	434.6	449.0	(3.2)	1,786.7	1,819.0	(1.8)
By Industry:						
Aviation	346.4	363.2	(4.6)	1,424.2	1,476.1	(3.5)
Non-Aviation	87.0	84.4	3.1	357.5	337.3	6.0
Corporate	1.2	1.4	(14.3)	5.0	5.6	(10.7)
Total	434.6	449.0	(3.2)	1,786.7	1,819.0	(1.8)
By Geographical Location:						
Singapore	349.3	350.3	(0.3)	1,421.0	1,389.9	2.2
Japan	63.8	78.1	(18.3)	268.1	334.4	(19.8)
Others	21.5	20.6	4.4	97.6	94.7	3.1
Total	434.6	449.0	(3.2)	1,786.7	1,819.0	(1.8)

Gateway Services and Food Solutions accounted for 38% and 62% of Group revenue respectively



Group Expenditure

\$M	4Q13/14	4Q12/13	Favourable/ (Unfavourable) %	FY13/14	FY12/13	Favourable/ (Unfavourable) %
Staff Costs	188.8	179.3	(5.3)	788.4	765.5	(3.0)
Cost of Raw Materials	91.8	97.5	5.8	379.6	393.0	3.4
Licensing Fees	18.6	19.2	3.1	76.8	77.0	0.3
Depreciation & Amortisation	19.1	23.5	18.7	77.2	92.9	16.9
Company Premise & Utilities	30.9	31.3	1.3	124.9	130.5	4.3
Other Costs	43.7	44.1	0.9	168.8	167.8	(0.6)
Group Expenditure	392.9	394.9	0.5	1,615.7	1,626.7	0.7
Group Revenue	434.6	449.0	(3.2)	1,786.7	1,819.0	(1.8)

Group expenditure was largely flat as higher staff costs was offset by lower depreciation & amortisation and cost of raw materials

Associates/JV Performance by Business

\$M	4Q13/14	4Q12/13	% Change	FY13/14	FY12/13	% Change
PAT	9.9	18.5	(46.5)	47.2	52.7	(10.4)
Gateway Services	8.7	17.1	(49.1)	41.4	48.8	(15.2)
Food Solutions	1.2	1.4	(14.3)	5.8	3.9	48.7
Dividends Received	-	-	n.m.	27.2	24.6	10.6

Lower cargo volumes and higher staff costs resulted in poorer performance of some of Gateway Associates/JV

PT JAS, AAT, MIC and AISATS account for more than 85% of our share of Associates/JV after-tax profits



Group Balance Sheet

\$M	As at 31 MAR 14	As at 31 MAR 13
Total Equity	1,514.4	1,500.2
Long-term Loans	96.6	108.7
Other Long-Term Liabilities	79.3	84.3
Current Liabilities	329.5	310.1
Total Equity & Liabilities	2,019.8	2,003.3
Fixed Assets & Investment Property	577.1	603.5
Associated Companies & JV	494.8	390.2
Intangible Assets	185.0	192.9
Other Non-Current Assets & Long-Term Investment	38.3	36.4
Current Assets		
<i>Cash & Short-Term Deposits</i>	340.8	405.5
<i>Debtors & Other Current Assets</i>	383.8	374.8
Total Assets	2,019.8	2,003.3

Lower cash & short-term deposits mainly attributed to dividends paid to shareholders and investment in PT Cardig Aero Services

Group Cash Flow Statement

\$M	FY13/14	FY12/13	Difference
Net Cash from Operating Activities	246.9	245.9	1.0
Net Cash used in Investing Activities	(145.9)	(16.6)	(129.3)
Net Cash used in Financing Activities	(162.6)	(286.4)	123.8
Net decrease in Cash & Cash Equivalents	(61.6)	(57.1)	(4.5)
Cash & Cash Equivalents at the end of the period	339.6	404.2	(64.6)
Free Cash Flow*	189.8	208.1	(18.3)

Higher net cash used in investing activities was also due to investment in PT Cardig Aero Services



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

Dividends

In cents	FY13/14	FY12/13
Interim Dividend	5.0	5.0
Proposed Final Dividend	8.0*	6.0
Total - Ordinary Dividends	13.0	11.0
Proposed Special Dividend	-	4.0
Proposed Total Dividends	13.0	15.0
Payout Ratio (%) - Ordinary Dividends	80.8%	66.4%
Payout Ratio (%) - Total Dividends	80.8%	90.7%

Increase ordinary dividend to 13 cents

Final dividend of 8 cents* to be paid on 13 August 2014

Book closure date is 4 August 2014



* Subject to shareholders' approval at AGM to be held on 23 July 2014

Outlook

Our operating landscape remains challenging in view of rising costs and ongoing pressure on regional aviation. At Changi Airport, we expect moderate growth in passenger traffic and marginal growth in airfreight.

We will continue to leverage our state-of-the-art facilities, comprehensive suite of services and new technologies to obtain scale advantages, improve productivity and enhance connectivity for our customers.

We are also growing new businesses and customer segments.





End