



A Subsidiary of **SINGAPORE AIRLINES** 

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SATS POSTS \$34.5M NET PROFIT IN FIRST QUARTER

HIGHLIGHTS OF THE SATS GROUP'S RESULTS

(in \$m)	1Q FY2008-09 (Apr - Jun 08)	Year-on-Year change (%)
• Operating revenue	244.0	+ 4.9
• Operating profit	38.2	- 16.4
• Share of profits of associated companies	4.4	- 64.8
• Profit attributable to equity holders	34.5	- 27.7
• Earnings per share (cents)		
- basic	3.2	- 28.9
- diluted	3.2	- 27.3

GROUP EARNINGS

Group operating revenue grew 4.9% (+\$11.5 million) to \$244 million on the back of higher business volumes in the first quarter of FY2008-09.

Operating expenditure rose 10.2% (+\$19.0 million) to \$205.8 million due principally to higher staff costs for Terminal 3 operations at Changi Airport. Higher food, fuel and utilities costs also contributed to the higher expenditure.

As a result, the Group earned an operating profit of \$38.2 million, 16.4% (-\$7.5 million) lower than a year ago while operating margin dipped 4% points to 15.7%.

Share of associates' profits fell 64.8% (-\$8.1 million) to \$4.4 million due mainly to:

- a one-off \$3.7 million tax provision in respect of prior years; and
- higher costs and lower meal volumes.

Net profit attributable to equity holders was \$34.5 million, 27.7% (-\$13.2 million) lower than the corresponding quarter last year.

Note: The SATS Group's unaudited results for the first quarter ended 30 June 2008 were announced on 24 July 2008. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Group comprises the parent holding unit, its subsidiaries and associated companies).

GROUP FINANCIAL POSITION (as at 30 June 2008)

The Group's total equity rose 2.2% (+\$30.5 million) to \$1,418.4 million, compared to \$1,387.9 million as at 31 March 2008. The increase came from profits earned in the first quarter.

Net asset value per share saw a slight increase from \$1.29 as at 31 March 2008 to \$1.31.

Total assets grew 3.1% or \$57.7 million to \$1,907.2 million.

Debt equity ratio of the Group remained at 0.15.

GROUP OPERATING PERFORMANCE

The Group saw an increase in business volumes in the first quarter of FY2008-09.

	<u>1Q FY2008-09</u>	<u>1Q FY2007-08</u>	<u>% change</u>
Passengers handled ('M)	7.92	7.60	+ 4.2
Meals produced ('M)	6.48	6.20	+ 4.4
Flights handled ('000)	22.10	21.35	+ 3.5
Cargo/mail processed ('000 tonnes)	396.27	378.00	+ 4.8

OUTLOOK

The slowing world economy will continue to dampen global air traffic growth. At the Singapore Hub, we are cautiously optimistic that there will be modest revenue growth as our key customers continue to take delivery of new aircraft. We expect continual upward trend in fuel and food costs.

Our share of associates' profits this year will be lower due to the lower passenger loads and more flight cancellations in India and China. We are reviewing the emerging situation to adjust capacity where possible. However, we maintain our positive long-term outlook on these economies.

Moving forward, we will continue to focus on operational performance and product innovation while strengthening our relationships with key customers. We aim to be their first-choice partners at all our network locations and will continue to expand this network.

ABOUT SINGAPORE AIRPORT TERMINAL SERVICES LIMITED (SATS)

Singapore Airport Terminal Services Limited (SATS) is the leading provider of integrated ground handling and airline catering services at Singapore Changi Airport. SATS' network of ground handling and airline catering operations spans 18 overseas investments covering more than 40 airports in the Asia Pacific region. SATS' services include airfreight handling, airline catering, passenger services, baggage handling, ramp handling, aviation security, airline linen laundry and processed food manufacturing. SATS has been listed on the Singapore Exchange since May 2000.

ANNOUNCEMENT INFORMATION

The complete SATS Group's 1Q FY2008-09 results are available on the following websites: www.sats.com.sg and www.irasia.com/listco/sg/sats/index.htm.

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GROUP FINANCIAL STATISTICS

	1Q FY2008-09	1Q FY2007-08
Financial Results (\$m)		
Total revenue	244.0	232.5
Total expenditure	205.8	186.8
Operating profit	38.2	45.7
Share of profits from associated companies	4.4	12.5
Profit before tax	44.1	61.6
Profit attributable to equity holders	34.5	47.7
Per Share Data		
Earnings after tax (cents) - basic ^{R1}	3.2	4.5
- diluted ^{R2}	3.2	4.4
Return on turnover (%)	14.1	20.6
Economic Value Added	6.2	17.5
Financial Position (\$m)		
	As at 30 Jun 2008	As at 31 Mar 2008
Share capital	250.4	250.1
Revenue reserve	1,200.5	1,166.0
Foreign currency translation reserve	(61.3)	(54.2)
Share-based compensation reserve	18.8	16.8
Statutory reserve	5.9	5.9
Fair value reserve	(0.4)	(0.7)
Equity attributable to equity holders	1,413.9	1,383.9
Total assets	1,907.2	1,849.5
Total debt	207.9	208.0
Total debt equity ratio (times) ^{R3}	0.15	0.15
Net asset value per share (\$) ^{R4}	1.31	1.29

^{R1} Earnings after tax per share (basic) is computed by dividing the 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 the 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} Total debt equity ratio is total debt divided by equity attributable to equity holders.

^{R4} Net asset value per share is computed by dividing equity attributable to equity holders by the number of ordinary shares in issue.