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SATS POSTS SLIGHTLY LOWER INTERIM PROFIT OF S\$96.4M

HIGHLIGHTS OF THE SATS GROUP'S RESULTS

(in S\$m)	1H FY2007-08 (Apr - Sep 07)	Year- on-Year change (%)	2Q FY2007-08 (Jul - Sep 07)	Year- on-Year change (%)
• Operating revenue	469.9	- 0.1	237.4	+ 0.7
• Operating profit	93.5	- 3.8	47.8	- 3.4
• Share of profits of associated companies	25.0	- 13.2	12.5	- 19.9
• Profit attributable to equity holders	96.4	- 4.1	48.7	- 6.7
• Earnings per share (cents) - basic	9.0	- 6.3	4.5	- 10.0
• Interim dividend per share (cents)	4.0	-		

GROUP EARNINGS

1H FY2007-08 (April - September 2007)

For the first half of FY2007-08, the Group made an operating profit of \$93.5 million, compared to \$97.2 million in the previous year.

Operating revenue was \$469.9 million, 0.1% lower than last year, due to continuing pressure on rates, suspension of flights by some airline clients and cessation of a hold-baggage screening contract with CAAS from end-August 2006.

Note: The SATS Group's unaudited results for the second quarter and half year ended 30 September 2007 were announced on 31 October 2007. 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).

Operating expenditure increased marginally by 0.9% to \$376.4 million as a result of higher staff and raw material costs as well as higher utilities charges.

Profit contribution from associated companies fell 13.2% to \$25.0 million mainly because of higher costs incurred by our Hong Kong associate which added a new second cargo terminal in December 2006. Associated companies contributed 20.0% to the Group's profit before tax, down by 1.8 percentage points.

Profit before tax, at \$124.8 million, was 5.5% lower while profit attributable to equity holders dropped 4.1% to \$96.4 million.

2Q FY2007-08 (July - September 2007)

The Group earned an operating profit of \$47.8 million for the second quarter of FY2007-08, compared to \$49.5 million in the same quarter last year.

Operating revenue rose 0.7% to \$237.4 million on the back of higher meal volumes while operating expenditure increased 1.8% to \$189.6 million mainly because of higher staff costs.

Profit contribution from associated companies dropped 19.9% to \$12.5 million. Associated companies contributed 19.8% to the Group's profit before tax, 3.0 percentage points lower than the same period last year.

Profit before tax was \$63.2 million while profit attributable to equity holders was \$48.7 million.

GROUP FINANCIAL POSITION (as at 30 September 2007)

Total equity of the Group rose 2.4% to \$1,349.8 million, compared to \$1,318.1 million as at 31 March 2007. The increase came from higher share capital as a result of more employee stock options being exercised in the first half of the financial year ended 30 September 2007.

Net asset value per share was \$1.25, an increase of 1 cent or 0.8% compared to 31 March 2007.

Total assets declined 0.4% or \$7.8 million to \$1,796.4 million due to staff bonus and dividend payouts.

Debt equity ratio of the Group remained at 0.15.

GROUP OPERATING PERFORMANCE

All operating indices recorded improvements in the first half and the second quarter of FY2007-08.

	<u>1H FY2007-08</u> (Apr - Sep 07)	<u>1H FY2006-07</u> (Apr - Sep 06)	<u>% change</u>
Passengers handled ('M)	15.42	14.18	+ 8.7
Meals produced ('M)	12.57	12.09	+ 4.0
Flights handled ('000)	42.56	41.64	+ 2.2
Cargo/mail processed ('000 tonnes)	773.92	771.76	+ 0.3
	<u>2Q FY2007-08</u> (Jul - Sep 07)	<u>2Q FY2006-07</u> (Jul - Sep 06)	<u>% change</u>
Passengers handled ('M)	7.82	7.27	+ 7.6
Meals produced ('M)	6.37	6.14	+ 3.7
Flights handled ('000)	21.21	21.03	+ 0.9
Cargo/mail processed ('000 tonnes)	395.92	390.13	+ 1.5

INTERIM DIVIDEND

SATS is proposing an interim dividend of 4 cents per share to be paid on 29 November 2007. The interim dividend will amount to \$43.0 million, representing a payout ratio of 44.6% of net profit. Last financial year, the interim dividend of 4 cents per share represented a payout ratio of 33.4% of net profit.

OUTLOOK

The local business environment continues to be competitive. While SATS' business volumes for inflight catering, ground handling and cargo are expected to register modest growth, pressure on rates will remain as key variable to financial performance. Contribution from associated companies is expected to improve slightly for the second half of FY2007-08.

With the inaugural SIA A380 flight on 25 October, SATS becomes the world's first ground handling company to handle the A380. SATS is well placed to handle this new aircraft for its airline customers with this first-hand experience.

The Group remains focused on improving productivity and service quality. It will continue to seek opportunities overseas to broaden its income base and drive its longer term profitability.

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 39 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 1H and 2Q FY2007-08 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

	1H FY2007-08	1H FY2006-07	2Q FY2007-08	2Q FY2006-07
Financial Results (\$ million)				
Total revenue	469.9	470.4	237.4	235.7
Total expenditure	376.4	373.2	189.6	186.2
Operating profit	93.5	97.2	47.8	49.5
Share of profits from associated companies	25.0	28.8	12.5	15.6
Profit before taxation	124.8	132.1	63.2	68.4
Profit attributable to equity holders	96.4	100.5	48.7	52.2
Per Share Data				
Earnings after tax (cents) - basic ^{R1}	9.0	9.6	4.5	5.0
- diluted ^{R2}	8.9	9.6	4.5	5.0
Return on turnover (%)	20.6	21.4	20.6	22.2
Economic Value Added	34.2	45.6	16.7	24.3
Financial Position (\$ million)				
	As at 30 Sep 2007	As at 31 Mar 2007		
Share capital	247.9	215.6		
Revenue reserve	1,110.5	1,111.3		
Foreign currency translation reserve	(31.6)	(31.2)		
Share-based compensation reserve	13.1	13.0		
Statutory reserve	5.9	5.6		
Fair value reserve	-	(0.1)		
Equity attributable to equity holders	1,345.8	1,314.2		
Total assets	1,796.4	1,804.2		
Total debt	202.8	202.8		
Total debt equity ratio (times) ^{R3}	0.15	0.15		
Net asset value per share (\$) ^{R4}	1.25	1.24		

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.