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**NEWS RELEASE ON FINANCIAL RESULTS FOR 1st QUARTER  
ENDED 30 JUNE 2005**

**SATS POSTS \$51.0M PROFIT FOR 1<sup>ST</sup> QUARTER FY2005-06**

**HIGHLIGHTS OF THE SATS GROUP'S FINANCIAL RESULTS**

• Operating revenue	\$ 235.7 million	(-	0.9%)
• Operating profit	\$ 52.7 million	(+	5.8%)
• Share of profits from associated companies	\$ 14.6 million	(+	31.5%)
• Profit before tax	\$ 67.7 million	(+	9.0%)
• Profit attributable to shareholders	\$ 51.0 million	(+	4.5%)
• Earnings per share	5.0 cents	(+	4.2%)

Note: The SATS Group's unaudited financial results for the first quarter ending 30 June 2005 were announced on 29 July 2005. 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 EARNINGS**

First Quarter FY2005-06

Business volumes grew during the first quarter of the financial year. However, operating revenue was \$2.2 million or 0.9% lower than the same quarter last year due to lower rates caused by the more competitive landscape. Operating profit increased by \$2.9 million to reach \$52.7 million, an increase of 5.8% over the same quarter last year as operating expenditure decreased by \$5.1 million or 2.7% to \$183.0 million.

Share of profits from our associated companies reached \$14.6 million, an increase of \$3.5 million or 31.5% over the same period last year. Associated companies now contribute 21.6% of our Group profit before tax.

After taking into account the share of profits from associated companies, profit before tax was \$5.6 million or 9.0% higher at \$67.7 million.

The Group's profit attributed to shareholders improved by \$2.2 million or 4.5% to \$51.0 million in the first quarter.

### **GROUP FINANCIAL POSITION** (as at 30 June 2005)

Total equity of the Group stood at \$1,132.7 million, which was \$61.2 million or 5.7% higher than at 31 March 2005.

Net asset value per share for the Group was \$1.10, a marginal increase of 6 cents or 5.8% compared to 31 March 2005.

The Group's total assets increased by \$83.6 million or 5.2% to \$1,684.4 million.

The debt equity ratio declined slightly at 0.22, compared to 0.23 at 31 March 2005.

### **GROUP OPERATING PERFORMANCE**

Operating data indices showed improvements in the first quarter this financial year compared to the same period last financial year:

	<u>1Q FY2005-06</u> <u>Apr-Jun 2005</u>	<u>1Q FY2004-05</u> <u>Apr-Jun 2004</u>	<u>% change</u>
Passengers handled ('M)	6.49	6.01	+ 7.9
Meals produced ('M)	5.80	5.49	+ 5.5
Flights handled ('000)	20.79	18.13	+ 14.6
Cargo processed ('000 tonnes)	353.81	350.68	+ 0.9

## **OUTLOOK**

Competitive pressure on rates will moderate revenue increases arising from growth in business volume. The company continues to improve cost efficiencies including benefits from the workforce restructuring undertaken in September 2004.

The company will maintain its focus on product and service quality to sustain its competitiveness in Singapore. Toward this end, it has launched a number of initiatives.

Growth from overseas associated companies is expected to be strong for the remainder of the financial year. The company will continue to pursue more overseas investments to augment its growth.

### **About Singapore Airport Terminal Services Limited (SATS)**

The Singapore Airport Terminal Services (SATS) Group 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 13 overseas investments covering 25 airports in the Asia Pacific region. SATS' services include airfreight handling, airline catering, passenger services, baggage handling, ramp handling, aviation security and airline linen laundry. SATS has been listed on the Singapore Exchange since May 2000.

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