

SHAPE OF THINGS TO COME



S A T S L T D . S U M M A R Y R E P O R T 2 0 1 0 / 2 0 1 1

CONTENTS

1	Logo Rationale	25	Balance Sheets
2	Key Figures	27	Statements of Changes in Equity
3	Statistical Highlights	30	Consolidated Cash Flow Statement
4	Chairman's Statement	31	Notes to the Financial Statements
8	SATS at a Glance	33	Additional Information
10	CEO's Statement	34	Information on Shareholdings
14	Financial Calendar	36	Notice of Annual General Meeting
15	Report by the Board of Directors	41	Proxy Form
20	Statement by the Directors	43	Request Form
21	Independent Auditors' Report	IBC	Corporate Information
23	Consolidated Income Statement		
24	Consolidated Statement of Comprehensive Income		



We aim to be the first choice provider of gateway services and food solutions by leveraging on our capabilities to delight users and exceed customers' expectations.

LOGO RATIONALE

With its strong competencies in gateway services and food solutions, SATS is well poised to grow its core businesses in Singapore and globally, in both aviation and non-aviation sectors.

Our new brand identity signifies our global aspiration and commitment to continually delight our customers with value propositions. Through this identity, we aim to build a unified, consistent representation across our core businesses as we continue to grow globally. We aspire to develop a unique and strong service culture that is synonymous with the SATS brand over time and this will be propagated across our global network.

This is the **shape of things to come**.

The circle is symbolic of our strength as a global service provider, one that offers seamless and reliable service. It also articulates our ability to delight customers and exceed their expectations, which gives rise to a logo that bears a seal of approval.

What sets us apart is our enduring commitment to deliver the best. We take pride in our work and aspire to build more than just partnerships with our customers – we set out to build lasting relationships that delight. This is reflected in our logotype, where the facing letters “s” and “a” denote the constant dialogue we have with our customers, anticipating and providing consistent, premium and innovative solutions for their needs. Our new brand is identified by the SATS crimson, which brings out the warmth and passion that we extend to our customers.

These elements work cohesively to form an icon that is simple yet meaningful, creating a brand identity that is synonymous with quality and excellence.



Key Figures

Revenue

\$1,729.1m **+12.4%**

Free Cashflow

\$132.2m **-30.5%**

Operating Profit

\$184.5m **+0.1%**

Economic Value Added

\$68.3m **+1.6%**

Share of Profits of Associates and JVs

\$61.2m **+46.1%**

Dividend Per Share

17¢ **+30.8%**

Profit Attributable to Equity Holders

\$191.4m **+5.6%**

Dividend Payout Ratio

98.4% **+19.9ppt**

Underlying Net Profit

\$197.4m **+20.3%**

Earnings Per Share

17.4¢ **+4.2%**

Total Assets

\$2,308.1m **+20.9%**

Return On Equity

12.7% **+0.1ppt**

Statistical Highlights

	2010-11	2009-10	2008-09	2007-08	2006-07
FINANCIAL STATISTICS					
Group (\$million)					
Total revenue	1,729.1	1,538.9	1,062.1	958.0	945.7
Total expenditure	1,544.6	1,354.5	891.2	783.7	792.5
Operating profit	184.5	184.4	170.9	174.3	153.2
Profit before tax	245.5	223.0	183.5	248.7	219.8
Profit after tax	191.8	182.1	148.4	195.2	179.0
Profit attributable to equity holders of the Company	191.4	181.2	146.8	194.9	178.2
Equity attributable to equity holders of the Company	1,521.2	1,481.8	1,398.1	1,383.9	1,314.2
Total assets	2,308.1	1,909.1	2,055.2	1,849.5	1,804.2
Total debt	184.5	24.1	251.5	208.0	202.8
Value added	916.9	802.8	639.3	682.5	675.1
Economic value added	68.3	67.2	26.2	53.9	60.7
Financial Ratios					
Return on average equity holders' funds (%)	12.7	12.6	10.6	14.4	14.2
Total debt equity ratio (times)	0.12	0.02	0.18	0.15	0.15
Return on total assets (%)	9.1	9.2	7.6	10.7	10.2
Per Share Data					
Earnings per share (cents) - basic	17.4	16.7	13.6	18.2	17.0
Earnings per share (cents) - diluted	17.3	16.7	13.6	17.9	16.9
Net assets value per share (\$)	1.37	1.37	1.29	1.29	1.24
Interim dividend (cents per share)	5.0	5.0	4.0	4.0	4.0
Proposed dividend (cents per share)	6.0	8.0	6.0	10.0	6.0
Special dividend (cents per share)	6.0	-	-	-	5.0
Dividend cover (times)	1.0	1.3	1.4	1.3	1.4
Dividend payout (%)	98.4	78.5	73.6	77.5	48.5
OPERATING STATISTICS					
Employee Productivity					
Average number of employees	13,250	11,932	9,196	7,938	7,461
Revenue per employee (\$)	130,500	128,974	115,495	120,961	126,747
Value added per employee (\$)	69,200	67,283	69,524	85,979	90,477
Value added per \$ of employment cost	1.60	1.66	1.66	1.85	1.76
Operating Data					
Airfreight throughput (million tonnes)	1.49	1.41	1.46	1.57	1.55
Passengers served (million)	35.38	32.99	30.91	31.65	29.27
Inflight meals prepared (million)	*25.06	23.47	25.19	25.72	24.74
Flights handled (thousand)	103.73	96.28	88.16	85.95	84.52

Notes:

- SATS' financial year is from 1 April to 31 March. Throughout this report, all financial figures are stated in Singapore Dollars, unless stated otherwise.
- Returns on equity holders' funds is the profit attributable to equity holders of the Company expressed as a percentage of the average equity holders' funds.
- Total debt equity ratio is total debts divided by equity attributable to equity holders of the Company at 31 March.
- Basic earnings per share is computed by dividing the profit attributable to equity holders of the Company by the weighted average number of fully paid shares in issue.
- Diluted earnings per share is computed by dividing the profit attributable to equity holders of the Company by the weighted average number of fully paid shares in issue after adjusting for dilution of shares under the employee share option plan.
- Net asset value per share is computed by dividing equity attributable to equity holders of the Company by the ordinary shares in issue at 31 March.
- Dividend cover is profit attributable to equity holders of the Company divided by total dividend (net of tax).
- Payout ratio is total ordinary dividend (net of tax) divided by profit attributable to equity holders of the Company.

* Not inclusive of TFK Corporation meals produced.

Chairman's Statement



“SATS’ aviation business benefited from the worldwide rebound of the aviation industry in FY2010-11. We extended our footprint and offerings across both gateway services and food solutions, and capitalised on new sources of growth within and beyond the aviation space.”

Dear Shareholders,

FY2010-11 marked another good year for SATS, as we continued our growth momentum from last year. The recovering aviation industry and global economy helped to sustain growth, with the key drivers coming from staying true to our beliefs in customer service, innovation and operational excellence.

We introduced innovation in both our products and services, most notably with the opening of Coolport@Changi, Asia’s first on-airport perishables handling centre as well as the launch of Singapore’s first city check-in service with baggage acceptance at Marina Bay Sands.

We extended our capabilities with the commencement of technical ramp handling services at Singapore Changi Airport and supported the

initiation of the China Jilin (Singapore) Modern Agricultural Food Zone (Jilin Food Zone) with an investment in an integrated pig farm that would allow us to access China’s processed food market and secure additional food sources for our food solutions business.

We also extended our geographical presence, enabling us to serve our existing customers in new locations as well as reach out to new customers. In Japan, we acquired a 50.7% equity stake in TFK Corporation (TFK), Tokyo’s leading airline caterer which has a presence at both Narita and Haneda airports. In India, we incorporated a joint venture (JV) company, Air India SATS Airport Services (AISATS), to house our existing interests in Bangalore and Hyderabad as well as future interests when we enter other Indian airports.

In August 2010, the Company changed its name to SATS Ltd. to better reflect the full spectrum of its businesses. We are in the process of rebranding SATS to develop a stronger proposition for all our customer segments.

RESULTS REVIEW AND DIVIDENDS

SATS' aviation business benefited from the worldwide rebound of the aviation industry in FY2010-11. We extended our footprint and offerings across both gateway services and food solutions, and capitalised on new sources of growth within and beyond the aviation sector.

In FY2010-11, our operating revenue increased 12.4% to \$1.73 billion as all business divisions reported higher revenue and TFK made its maiden revenue contribution in the fourth quarter. Our aviation revenue grew 18.1% to \$1.03 billion while non-aviation revenue rose 4.8% to \$694.4 million.

Operating profit was \$184.5 million due to the impact of exceptional items. Excluding the one-off \$6 million in M&A costs in FY2010-11 and \$17.1 million in jobs credit received in FY2009-10, our underlying operating profit grew 13.9% to \$190.5 million.

Contribution from our associated and JV companies grew 46.1% to \$61.2 million as a result of better performance reported by our ground handling associates and the inclusion of AISATS' contribution for the first time. Consequently, our profit before tax rose 10.1% to \$245.5 million and profit attributable to equity holders increased 5.6% to \$191.4 million. Excluding exceptional items, our underlying net profit increased 20.3% to \$197.4 million.

For the full year, we generated free cash flow of \$132.2 million and our cash balance as at 31 March 2011 stood at \$296.1 million. As a result of our strong financial performance and cash reserves, your Board has recommended a final dividend of 6 cents per share and a special dividend of 6 cents per share. Including the interim dividend of 5 cents per share paid on 2 December 2010, the proposed

total dividends will be 17 cents per share, 4 cents higher than the total dividends paid in FY2009-10. This represents a dividend payout ratio of 98.4% of our profit attributable to equity holders. Upon shareholders' approval at the forthcoming Annual General Meeting of the Company, the final and special dividends will be paid on 17 August 2011.

BUSINESS REVIEW

Gateway Services

SATS maintained its position as the leading ground handler at Singapore Changi Airport in FY2010-11, serving 75% of the scheduled flights there. We expanded our comprehensive suite of ground handling services to include technical ramp handling services from May 2010 onwards and built on our competencies to offer this service to both narrow and wide-body aircraft. We strengthened existing customer relationships by renewing ground and cargo handling contracts with nine airlines including All Nippon Airways, British Airways, Korean Air, Malaysia Airlines and United Airlines. We also established new customer relationships by securing contracts with four carriers, namely Air Macau, China Cargo Airlines, Hainan Airlines and Hong Kong Airlines. The continued expansion of facilities and services for the fast growing low cost carrier segment is promising and delivering results.

SATS HK, our subsidiary in Hong Kong, similarly secured and renewed contracts with customers such as Delta Air Lines, Juneyao Airlines, Malaysia Airlines, Singapore Airlines and South East Asian Airlines.

We take pride in our portfolio of long-standing customers and in extending the suite of services that we are able to offer them. We are also very pleased to have secured several new customers during the year. These contracts are an affirmation of SATS' continued competitiveness and they underscore our ongoing commitment to better serve our customers through operational excellence and innovation.

We strive to deliver strategic value to a wider group of stakeholders beyond our customers. For example, the specialised cold chain logistics services at Coolport@Changi enhance the capabilities of Singapore's logistics industry to meet Asia's increasingly sophisticated demand. We are heartened by the strong positive response from the industry, by achieving a 70% utilisation rate less than a year after Coolport's opening.

September 2010 also saw the launch of Singapore's first city check-in service, in partnership with Marina Bay Sands. We are proud to be able to offer a new service to our airline customers' passengers, by allowing them to check-in at a convenient location in the city centre well ahead of their outbound flights.

Food Solutions

We continued to perform well in aviation food solutions, serving 86% of the scheduled flights at Singapore Changi Airport. We also secured and renewed contracts with Air India, Cathay Pacific Airways, Finnair, Hong Kong Airlines and Jet Airways during FY2010-11.

On the overseas aviation food solutions front, the acquisition of a 50.7% stake in TFK (with voting rights of 53.8%) for \$122 million was a significant step towards strengthening our core business globally. It enables us to acquire a leadership position in the airline catering market in Tokyo, and at the same time participate in an exciting phase of long-term expansion in Japan's primary air hubs of Narita and Haneda. While we are deeply saddened by the tragic disasters which struck Japan in March this year, we believe that the resilience of the Japanese will see the country through this difficult period and TFK is doing its part to support airline customers in restoring normalcy. We are confident of the long-term opportunities in the Japanese aviation market and are committed to contributing towards its growth and expansion.

On the non-aviation food solutions side, we renewed our contract with the Singapore Armed Forces in May 2010 to deliver logistical support for

its operations in Australia till 2015, with the option to extend the agreement for a further five years.

We supported the inaugural Youth Olympic Games in Singapore by catering meals at the Games Village for some 7,000 athletes, officials and volunteers in August 2010. We also provided staff meals during the Singapore Grand Prix in September 2010.

The integrated pig farm project in the Jilin Food Zone in Jilin province, China, broke ground in September 2010. We are excited to contribute to this JV by way of sharing our expertise in food safety and in the production, marketing and distribution of food products. Through this JV, SATS is also taking a strategic step towards securing a safe, reliable and sustainable food supply for Singapore over the long term.

In the UK, our subsidiary, Daniels Group, maintained its innovation and growth momentum through winning new contracts for soups, desserts, ready meals, fruits and juices from major UK retailers. As a result, Daniels saw its revenue in pound sterling grow 11.6% to £178.7 million in FY2010-11.

In June 2010, Daniels celebrated the official opening of its new food production plant in Lakeside at Grimsby's Europarc Business Centre. The increased soup and ready meal capacity afforded by this new plant has enabled Daniels to support the increased level of business from its key customers.

AFFIRMING PARTNERSHIP

As a service provider, SATS is renowned for exceeding customers' expectations. We are gratified to have had our efforts recognised through the following awards, among others:

- 'Best Air Cargo Terminal in Asia' for the 13th time, as voted by the air cargo community at the Asian Freight & Supply Chain Awards organised by Cargonews Asia;
- Agri-Food and Veterinary Authority's (AVA) 'Gold Award' for attaining an "A" grade under its Food Factory Grading Scheme for 15 consecutive years and 'Food Safety Partnership Award';

- 17 Star, 19 Gold and 15 Silver Awards at SPRING Singapore's Excellent Service Awards 2010; and
- 'Airport Service Individual and Team Awards', 'Flight Delay Handling Team Award' and 'Service Process Redesign Award' at the Singapore Airlines CEO Transforming Customer Services Awards 2010.

AN EYE ON THE FUTURE

The past year saw a recovery in our business activities with the rebound of the aviation industry and the wider economy. While aviation demand has improved, the industry remains volatile especially in the wake of rising fuel prices. Nonetheless, we will continue to strengthen our core competencies and deepen our interests across other avenues to seek growth.

We are always on the lookout for innovative ways to generate further value for our customers, and the coming year will be no different. As we did in the case of TFK, we will evaluate any compelling acquisition opportunities which make sense for our business, wherever they may present themselves. On that note, I am pleased to inform you that we recently acquired a 40% equity stake in a Saudi Arabian niche inflight caterer, Adel Abuljadayel Flight Catering Company. This acquisition marks our first foray into the Middle East aviation market and allows us to potentially develop new service opportunities with our key customers, and secure new customers at more locations.

Another area of growth for us lies in leveraging our core competencies in gateway services and food solutions to grow in sectors outside our traditional areas of focus. We continue to expand our relationships in the hospitality and tourism-related industries, where we have been successful in securing new customers; and the year ahead will see us continue to reach out to new sectors.

Even as the Group grows, it is important that we look internally and continue to drive operational and cost efficiencies. With exceeding customers' expectations and ensuring our continued

competitiveness at the core of everything we do, we see people development as key. Our leaders must be fully equipped to handle the extended range of capabilities we now possess. Every one of our staff must identify with our brand, our common culture, and most importantly, see SATS as a company in which they enjoy working and have a long-term future.

Additionally, with the Group's remarkable growth in recent years, it is important that our brand accurately reflects the full range of our businesses and capabilities. For this reason, we underwent an exercise earlier this year to refresh our brand and align our values to who we are today – a strategic partner and first choice provider of end-to-end solutions globally.

IN GRATITUDE

On behalf of the Board, I would like to extend my sincere thanks to every member of our staff, our union, and management. As a services company, our people are the foundation upon which our every success lies. I am grateful to them for their continued passion, loyalty and commitment.

I also wish to thank my fellow Board members for their wise counsel and support throughout the year. It is with reluctance that I bid farewell to three members, Swee Wah, Rajiv and Kheng Joo, who will be stepping down from the Board at the forthcoming Annual General Meeting. Together with the rest of the Board members, I thank them for their invaluable service and contributions to SATS over the past years.

Finally, to our customers, business partners and shareholders, my sincere thanks for your continued confidence and support.

Edmund Cheng Wai Wing
Chairman

23 May 2011

SATS

at a Glance

SATS BUSINESSES

With over 60 years of operating experience and an emerging global presence, SATS is Singapore's leading provider of gateway services and food solutions.

Our comprehensive scope of gateway services encompasses airfreight handling, passenger services, ramp handling, baggage handling, aviation security, and aircraft interior and exterior cleaning while our food solutions business comprises airline catering, food distribution and logistics, industrial catering as well as ambient, chilled and frozen food manufacturing, and airline linen laundry.

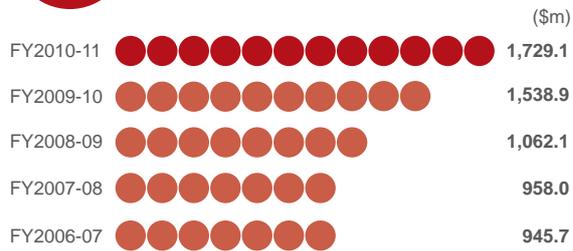
Today, we handle about 80% of the scheduled flights and serve close to 60 scheduled airlines at Singapore Changi Airport.

With the recent addition of Japan and Saudi Arabia, SATS is now present in 35 airports in 10 countries. We also have a presence in the UK and Australia through our expanding food solutions business.

Group Revenue

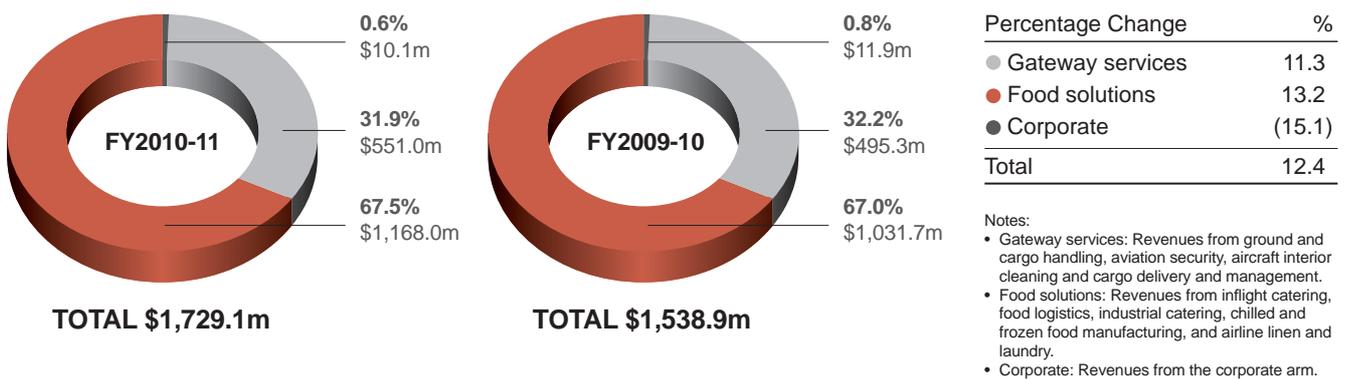
\$1,729.1m

+12.4%

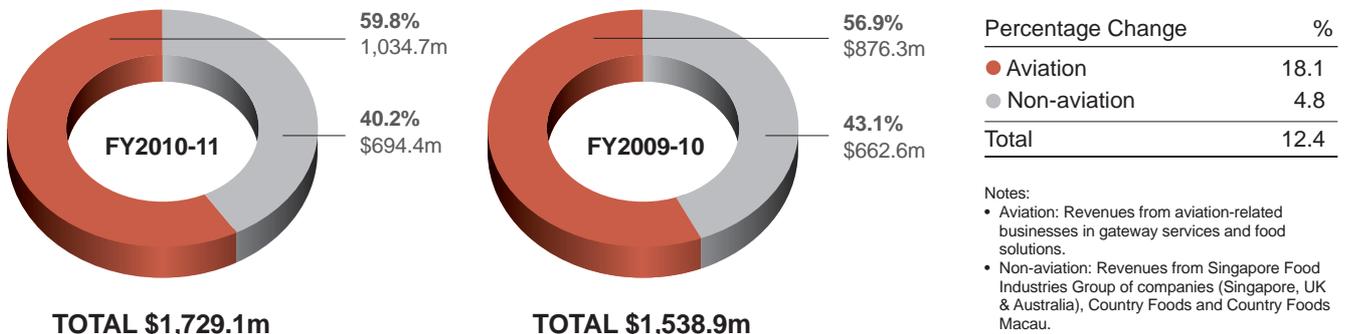


GROUP REVENUE

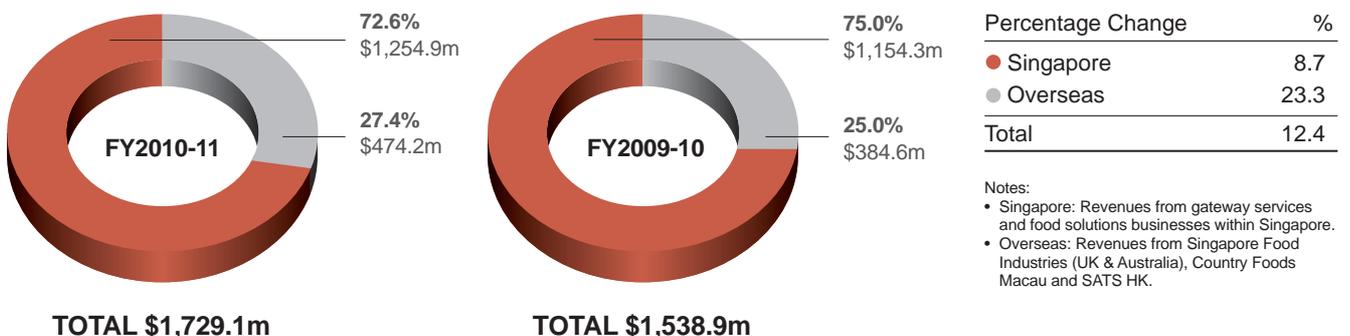
By Business



By Industry



By Geographical Location





“Our focus to grow our gateway services and food solutions businesses delivered results, as both businesses were benefiting from the growth in the tourism and hospitality industries at home and abroad.”

Dear Shareholders,

We started FY2010-11 on a good note following the successful integration of Singapore Food Industries (SFI) into SATS. The aviation industry was then recovering but subsequent events proved this to be one of the most challenging years in our history. In spite of this, we managed to benefit from the recovery and win several awards for disruption handling. Our focus to grow our gateway services and food solutions businesses delivered results, as both businesses were benefiting from the growth in the tourism and hospitality industries at home and abroad.

In August 2010, we changed our name from Singapore Airport Terminal Services Limited to SATS Ltd. to better reflect our strategic directions and characteristics. Consequently, a project was also started to review our branding with the objective of building a consistent representation across our businesses and geographies. I am happy to inform you that we will be launching our new brand identity in June 2011.

GATEWAY SERVICES

The 2010 eruption of the Eyjafjallajökull volcano in Iceland would be etched in the annals of aviation history, having created one of the largest disruptions in civilian air travel since World War II. While this occurred in Europe, passengers were trapped in Asia and elsewhere. Our ONE! Service was pushed to the limit to show compassion, bring peace of mind and comfort to stranded passengers, and facilitate the recovery of travel plans. In addition, our staff worked tirelessly to re-process cargo backlogs so that transshipment cargo were able to reach their final destinations quickly despite schedule and capacity restraints brought about by the volcanic eruption. Once again, the commitment of our people and the strength of our processes have helped our airline customers build and strengthen their branding, and safeguard the high reputation of the Singapore Hub.

Our competence in disruption handling was put to the test again during the year. The eruption of

Mount Merapi in Central Java, the grounding of A380 flights as a consequence of the Rolls Royce engine incident on Qantas flight QF32, and the extreme winter in the northern hemisphere had caused travel disruptions at Singapore Changi Airport. Singapore Changi Airport and several airlines, in particular Singapore Airlines, as well as SATS received many commendations from travellers after these episodes of disruption. These commendations and recognition of our efforts reminded us of our responsibility to care for passengers and our core strength in aviation services. While they are an affirmation of our gateway strategy, they also increase our resolve to strengthen our global network in aviation ground services and catering despite the frequent challenges that we face.

On 1 May 2010, SATS started providing technical ramp handling services at Singapore Changi Airport after many months of preparations and hard work. At last, we are now on par with the competition to offer the full suite of ground handling services. While technical ramp handling was not new to our staff as we previously provided these services sometime ago, we relied on the capabilities within our aviation network to renew our own capability here in Singapore. Our approach was a simple one; step by step with a sure footing, we grew our capability while ensuring that safety and service levels were not compromised. During the year, we secured majority share in the business jet market and clinched contracts with several scheduled carriers. Our proactive plan to integrate technical ramp handling services into our ground operations and increase productivity via efficient deployment of resources has helped our airline customers save costs.

Innovation, as one of our thrusts for change, drove product and service enhancements to enable organic growth. In passenger services, we launched the new SATS Premier Check-in Services at Terminal 2 of Singapore Changi Airport, a premier greet-and-assist service from aircraft to destination. In apron services, we increased both our capabilities and services for aircraft interior cleaning and renamed the department as "Aircraft Aesthetics" to better reflect the additional capabilities and wider scope of services offered.

In the area of cargo terminal operations, we launched the unique Coolport@Changi, in addition to the many service enhancements, to complement an already excellent logistics infrastructure at Singapore Changi Airport, thereby attracting more perishables traffic through the airport. This facility improves the capability of SATS' airline customers to offer a more reliable and exacting service in handling perishables cargo and also supports Singapore's efforts to position itself as a bio-medical hub. During the year, we also started a new third-party logistics warehousing operations in the Airport Logistics Park of Singapore. This unit will help strengthen SATS' relationship with logistics companies through both upstream and downstream supply chain collaborations. We are confident that over time, it will improve our cargo revenue stream as we start to offer more value-added services.

In FY2010-11, our wholly-owned subsidiaries, SATS HK and Asia-Pacific Star (APS), achieved profitability for the first time. Continual improvement in services and optimisation of capacity helped SATS HK turn around during the year. Our appreciation goes to our airline customers who have put their trust in us to look after their passengers at the Hong Kong International Airport. APS, on the other hand, was set up to offer a differentiated service to low-cost carriers (LCCs) in Singapore. It provides both ground handling and inflight catering services to the LCCs. From a humble beginning, we now have a majority share of the LCC market in Singapore. SATS has unique competencies in developing a broad range of meal types that can be adjusted to the varying catering needs of LCCs. No two LCCs operate in the same way and APS' ability to meet their needs is an important reason for its success. Although its revenue contribution is small in relative terms, APS has forged a formula that could potentially be exported into the region.

We were expecting a third ground handler to start its operations at Singapore Changi Airport but that did not materialise in FY2010-11. Nevertheless, we continued to work hard by focussing on service and capability differentiation. Our staff and associates stood up to the challenge and delivered as planned.

FOOD SOLUTIONS

Inflight catering had faced the same challenges as gateway services in the aviation sector. Continuous improvement programmes were undertaken by management to help mitigate food cost inflation, which was one of the major challenges in FY2010-11. During the year, we worked on "healthy choice" recipes for local cuisines, with the aim to reduce fat, cholesterol and calories in our much-loved local dishes like laksa and nasi lemak. We hope that these may eventually be featured in inflight meals. Food innovations such as these are part of our focus throughout the year.

In the area of non-aviation food solutions, we were awarded a contract to provide meals for young athletes at the Games Village during the Youth Olympic Games which took place in Singapore in August 2010. This was a momentous opportunity to showcase our capability for mass catering. In addition to taste, we had to meet the various ethnic meal type requirements, feed about 7,000 youths, games officials and volunteers, and adhere to stringent standards and requirements for health and food safety. Although the contract was initially for three meals a day, the actual requirement of the young athletes was almost a round-the-clock buffet spread. We scored well on service, food taste and availability despite initial hiccups arising from the complexity of operating in a makeshift kitchen. The integrated competencies of SFI, SATS Catering, and Country Foods enabled us to deliver the required performance and meet the service level agreements in the contract.

The food distribution business of SFI was turned around during the year. Special attention was paid to inventory management, product and branding as well as collections from customers. I am pleased to note that we have reached the performance level where we can confidently grow this business again.

At Country Foods, we opened a restaurant, "Tables by the Bay", at Keppel Club as the front for our events catering division "Le Lifestyle". We have received good reviews for the restaurant which allows us to demonstrate to prospective clients our offerings and train our service staff for events. Hospital catering, on the other hand, remains our key challenge. We expected hospitals to welcome outsourcing of this non-core activity as

they face capacity, staffing and meal production challenges, and the adoption of a central kitchen concept would seem logical. However, we have found their readiness to take this step relatively low as most hospitals still keep to their own in-house production.

The organic growth attained by our Singapore food solutions business was primarily driven by the recovery in the aviation sector as well as the growth in the tourism and hospitality industries, energised by the opening of the two integrated resorts, the annual Singapore Grand Prix and the many tourism events in Singapore.

Over in the UK, our subsidiary Daniels Group celebrated the official opening of a new plant for soup and chilled ready meals (CRM) production in Lakeside at Grimsby's Europarc Business Centre in June 2010. The combined plant is a departure from the past concept of dedicated plants for each of the five food categories that we participate in. It also gives us the flexibility to expand production for both the soup and CRM categories at lower fixed cost levels.

During the year, we launched many new products including a new range of desserts, new soup types, and a premium range of soups under the New Covent Garden brand. The drinks category was dampened by escalating prices in juicing oranges that affected our financial results. The actions taken to pass on some of the raw material price increases to customers were partially successful. While our UK business continued to grow, the weak pound sterling against the Singapore dollar resulted in marginal revenue growth in FY2010-11. However, on a constant currency basis, Daniels Group's revenue rose 11.6% year-on-year.

OVERSEAS JOINT VENTURES

SATS' global aviation network consists of associates, joint ventures (JV) and subsidiaries. The regulated environment around airports generally poses challenges for us to strike the right deals. Nevertheless, we achieved several successes in growing our network during the year. In India, we received approval to create a JV with Air India for ground handling services. This 50-50 JV now houses our Bangalore and Hyderabad ground services operations that have started since

2008. All formal procedures were completed by the end of FY2010-11 and the Group has accounted for its share of this JV's profits.

We also expanded our network to cover both Narita and Haneda airports in Tokyo following the acquisition of a majority stake in TFK Corporation (TFK), the catering arm of Japan Airlines. With both airports planning for an expansion of flight slots by 2014, the future for growth is bright. However, the triple disasters on 11 March 2011 may delay these plans slightly. Nevertheless, we expect Japan to recover from this crisis and TFK, being a long term investment, will benefit from this recovery.

In April 2011, we entered the Middle East market through our JV, Adel Abuljadayel Flight Catering Company (AAFC), which has a presence in both Jeddah and Riyadh airports. AAFC traditionally has been catering to private jets and ad-hoc flights and has established a good track record. The forward plan is to enable AAFC to secure more contracts with scheduled airlines and we believe that with the increasing traffic into Jeddah and Riyadh, this JV has much potential for further development.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

SATS has a long standing commitment towards sustainable development. We have implemented many projects to conserve energy, and reduce, reuse and recycle material resources.

In FY2010-11, we consolidated our CSR activities with the objective of eventually setting up a SATS Foundation that would also support charitable work through volunteerism and financial aid. SATS Foundation's focus is on three specific areas. The first is to promote volunteerism and a caring mindset amongst our employees. As service is the foundation of our business, we hope that through volunteerism, we can continually strengthen this foundation. The second focus aims to enable and empower disadvantaged groups by providing support to them. The third area is to promote "green" practices within SATS by reducing and mitigating adverse impact on the environment.

During the year, our staff participated in the Assisi Hospice Charity Fun Day 2010 and the Down Syndrome Association's Charity Walk and Carnival, and mentored children from the Singapore Indian

Development Association in the First Lego League Robotics Competition. We also worked with the National Volunteer and Philanthropy Centre to organise an outing for the elderly from the Society of the Aged Sick and supported the Sree Narayana Mission in its Welfare Service Flag Day. A group of our employees celebrated the Lunar New Year with the elderly from the Society for the Aged Sick and painted a mural at the Geylang East Home for the Aged in February 2011.

Increasingly, we plan to integrate these meaningful activities into our business philosophy and culture, engage and develop our staff, and fulfill our responsibility to the communities where we operate in.

APPRECIATION

Much had been accomplished in FY2010-11 as we continued to work towards increasing shareholder value, improving our processes and strengthening our company culture. This challenging year could not have been overcome without the unstinting support of my management colleagues and all our staff. We were bound by our collective aspiration towards service excellence and to represent our customers in the way that they have come to expect of us.

The change of leadership in our unions during the year has renewed their efforts and commitment to cooperatively and collaboratively work on change projects to improve our workplace. I would like to thank S. Gunasekaran, General Secretary of SATSWU, Paul Ng Kim Seng, President of SATSWU, Martin Chan, General Secretary of AESU, and S. Supramaniam, President of AESU, for their advice and support to effect continuous improvements for the benefit of all SATS stakeholders. On behalf of management, a special vote of thanks goes to our Chairman, Mr Edmund Cheng, and the Board of Directors for their guidance and support. We also wish to express our appreciation to the many shareholders who have supported and remained with us throughout the year.

Clement Woon Hin Yong
President & Chief Executive Officer

23 May 2011

Financial Calendar

FINANCIAL YEAR ENDED

31 MARCH 2011

29 July 2010

Announcement of 1Q2010-11 results
Results conference call with live webcast

18 August 2010

Payment of final dividend

2 November 2010

Announcement of 2Q2010-11 results
Results conference call with live webcast

2 December 2010

Payment of interim dividend

1 February 2011

Announcement of 3Q2010-11 results
Results conference call with live webcast

16 May 2011

Announcement of 4Q2010-11 results
Results briefing for analysts and media
with live webcast

22 June 2011

Despatch of Summary Report to
shareholders

5 July 2011

Despatch of Annual Report to shareholders

27 July 2011

Annual General Meeting

5 August 2011

Book closure date

17 August 2011

Proposed payment of final dividend

FINANCIAL YEAR ENDING

31 MARCH 2012

26 July 2011

Proposed announcement of 1Q2011-12
results

10 November 2011

Proposed announcement of 2Q2011-12
results

January/February 2012

Proposed announcement of 3Q2011-12
results

May 2012

Proposed announcement of 4Q2011-12
results

Report by the Board of Directors

IMPORTANT NOTE:

The Summary Financial Report as set out on pages 15 to 32 does not contain sufficient information to allow for a full understanding of the results and state of affairs of the Company or of the Group. For further information, the full annual financial statements, the auditors' report on those financial statements, and the directors' report should be consulted. Shareholders may request a copy of the full Annual Report at no cost from the Company Secretary. Please use the request form at the end of this Summary Financial Report.

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2011.

1. DIRECTORS OF THE COMPANY

The names of the Directors in office at the date of this report are:

Edmund Cheng Wai Wing	Chairman
David Zalmon Baffsky	
David Heng Chen Seng	
Nihal Vijaya Devadas Kaviratne CBE	(Appointed on 30 July 2010)
Khaw Kheng Joo	
Rajiv Behari Lall	
Mak Swee Wah	
Ng Kee Choe	
Keith Tay Ah Kee	
Yeo Chee Tong	
Leo Yip Seng Cheong	(Appointed on 1 September 2010)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN ORDINARY SHARES, SHARE OPTIONS AND DEBENTURES

The following Directors who held office at the end of the financial year have, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act, Cap. 50, an interest in the ordinary shares, share options and debentures of the Company as stated below:

Name of Director	Direct interest		Deemed Interest	
	At 1.4.2010 or date of appointment	31.3.2011	At 1.4.2010 or date of appointment	31.3.2011

Interest in SATS Ltd.

Ordinary shares

Mak Swee Wah	–	16,051	–	–
Ng Kee Choe	11,000	11,000	–	–
Keith Tay Ah Kee	35,000	35,000	–	–
Yeo Chee Tong	200,000	–	–	–

3. DIRECTORS' INTERESTS IN ORDINARY SHARES, SHARE OPTIONS AND DEBENTURES (cont'd)

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in ordinary shares, share options or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

5. OPTIONS ON SHARES IN THE COMPANY

(i) Employee Share Option Plan

The SATS Employee Share Option Plan (the "Plan"), which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees, was adopted in connection with the initial public offering undertaken by the Company in 2000 and a summary of which was set out in the Prospectus issued by the Company dated 4 May 2000. The Plan was modified at an Extraordinary General Meeting held on 7 July 2001 and was subsequently modified by the Company (as announced on 4 June 2003) and at Extraordinary General Meetings held on 19 July 2003 and 20 July 2004.

Under the Plan, all options to be issued will have a term no longer than 10 years from the date of grant. The exercise price of the option will be the average of the closing prices of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five market days immediately preceding the date of grant.

Under the Employee Share Option Scheme, options will vest two years after the date of grant. Under the Senior Executive Share Option Scheme, options will vest:

- (a) one year after the date of grant for 25% of the ordinary shares subject to the options;
- (b) two years after the date of grant for an additional 25% of the ordinary shares subject to the options;
- (c) three years after the date of grant for an additional 25% of the ordinary shares subject to the options; and
- (d) four years after the date of grant for the remaining 25% of the ordinary shares subject to the options.

At the date of this report, the Remuneration and Human Resource Committee administering the Plan comprises the following Directors:

Edmund Cheng Wai Wing	Chairman
Ng Kee Choe	Member
Yeo Chee Tong	Member
Leo Yip Seng Cheong	Member

No options have been granted to Directors of the Company, controlling shareholders of the Company or their associates.

No employee has received 5% or more of the total number of options available under the Plan.

5. OPTIONS ON SHARES IN THE COMPANY (cont'd)

(i) Employee Share Option Plan (cont'd)

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any right to participate in any share issue of any other company.

The Company has ceased to issue further grants of share options since the last grant in July 2008.

At the end of the financial year, options to take up 33,714,275 unissued ordinary shares in the Company were outstanding:

Date of grant	Balance at 1.4.2010/ date of grant	Forfeited/ Lapsed	Exercised	Balance at 31.3.2011	Exercise price *	Exercisable period
3.7.2000	1,093,350	300,400	792,950	–	\$1.75	3.7.2001 – 2.7.2010
2.7.2001	279,700	7,900	78,900	192,900	\$1.19	2.7.2002 – 1.7.2011
1.7.2002	620,750	15,700	172,500	432,550	\$1.55	1.7.2003 – 30.6.2012
1.7.2003	775,600	17,800	157,550	600,250	\$1.42	1.7.2004 – 30.6.2013
1.7.2004	3,324,400	57,800	760,850	2,505,750	\$2.04	1.7.2005 – 30.6.2014
1.7.2005	8,102,000	110,400	2,511,600	5,480,000	\$2.22	1.7.2006 – 30.6.2015
3.7.2006	8,273,430	33,400	3,415,505	4,824,525	\$2.05	3.7.2007 – 2.7.2016
2.7.2007	13,500,700	194,200	–	13,306,500	\$3.01	2.7.2009 – 1.7.2017
1.7.2008	13,225,200	83,400	6,770,000	6,371,800	\$2.17	1.7.2010 – 30.6.2018
	49,195,130	821,000	14,659,855	33,714,275		

* Following approval by the Company's shareholders of the declaration of a special dividend of \$0.05 per share on 26 July 2007, the Committee administering the Plan has approved a \$0.05 reduction in the exercise prices of all share options outstanding on 30 July 2007. The exercise prices reflected here are the exercise prices after such adjustment. The Company has accounted for the modification in accordance to FRS102. As the incremental fair value of the share options resulted from the modification is \$NIL, no adjustment is made to the share-based payment expenses.

(ii) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

At the Extraordinary General Meeting of the Company held on 19 July 2005, the shareholders approved the adoption of two new share plans, namely the RSP and the PSP, in addition to the Employee Share Option Plan.

Depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP, the final number of restricted shares and performance shares awarded in respect of FY2007-08 and prior years could range between 0% and 120% of the initial grant of the restricted shares and between 0% and 150% of the initial grant of the performance shares. In respect of RSP and PSP grants for FY2008-09 and FY2009-10, the final number of restricted shares and performance shares awarded could range between 0% and 150% of the initial restricted grants and between 0% and 200% of the initial grant of performance shares. In respect of RSP and PSP grants for FY2010-11, the final numbers of restricted shares and performance shares awarded is 100% of the restricted grants and between 0% to 200% of the initial grant of performance shares.

Years prior to 2010-11, based on meeting stated performance conditions over a two-year performance period, 50% of the RSP award will vest. The balance will vest equally over the subsequent two years with fulfilment of service requirements. For year 2010-11, the RSP award will vest over a four-year period; there will be no performance condition for vesting. PSP award will vest based on meeting stated performance conditions over a three-year performance period.

5. OPTIONS ON SHARES IN THE COMPANY (cont'd)

(ii) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") (cont'd)

At the date of this report, the Remuneration and Human Resource Committee which administers the RSP and PSP comprises the following Directors:

Edmund Cheng Wai Wing	Chairman
Ng Kee Choe	Member
Yeo Chee Tong	Member
Leo Yip Seng Cheong	Member

No shares have been granted to controlling shareholders or their associates under the RSP and PSP.

The details of the shares awarded under the new share plans during the year since commencement of the RSP and PSP are as follows:

RSP

Date of grant	Number of ordinary shares				Balance at 31.3.2011
	Balance at 1.4.2010/ later date of grant	Vested	Forfeited	Adjustments [#]	
2.10.2006	26,333	(26,333)	–	–	–
27.7.2007	45,120	(23,760)	(1,760)	–	19,600
1.11.2007	10,200	(5,100)	–	–	5,100
28.7.2008	488,700	(190,500)	(19,800)	(120,000)	158,400
17.11.2008	50,000	(18,800)	–	(12,500)	18,700
12.11.2009	790,000	–	(68,300)	5,000	726,700
02.08.2010	1,046,000	–	(36,000)	–	1,010,000
	2,456,353	(264,493)	(125,860)	(127,500)	1,938,500

PSP

Date of grant	Number of ordinary shares				Balance at 31.3.2011
	Balance at 1.4.2010/ later date of grant	Vested	Forfeited	Adjustments [#]	
27.7.2007	98,200	(71,300)	–	(26,900)	–
1.11.2007	55,000	(41,300)	–	(13,700)	–
15.4.2008*	185,616	(185,616)	–	–	–
28.7.2008	92,000	–	–	–	92,000
12.11.2009	72,000	–	–	–	72,000
02.08.2010	746,000	–	(10,000)	–	736,000
	1,248,816	(298,216)	(10,000)	(40,600)	900,000

* These relate to the PSP plan granted under Singapore Food Industries ("SFI") which were converted to SATS Ltd. ("SATS") shares in the financial year ended 31 March 2010.

Adjustments at the end of the two-year and three-year performance period upon meeting/(not meeting) stated performance targets for RSP and PSP respectively.

Based on the Monte Carlo simulation model, the estimated fair value at the date of grant for each share granted during the year under the RSP ranges from \$2.44 to \$2.78 (2010: \$2.01 to \$2.18) and the estimated fair value at the date of grant for each share granted during the year under the PSP is \$2.78 (2010: \$3.03).

5. OPTIONS ON SHARES IN THE COMPANY (cont'd)

(ii) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") (cont'd)

The number of contingent shares granted but not released as at 31 March 2011 were 1,938,500 (2010: 1,410,353) and 900,000 (2010: 502,816) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards could range from 1,211,800 (2010: 81,653) to a maximum of 2,301,850 (2010: 2,074,803), and zero to a maximum of 1,800,000 (2010: 743,416) fully-paid ordinary shares of SATS, for RSP and PSP respectively.

6. AUDIT COMMITTEE

The Audit Committee performed the functions specified in the Companies Act. The functions performed are detailed in the Corporate Governance Report.

7. AUDITORS

The auditors, Ernst & Young LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board,

EDMUND CHENG WAI WING
Chairman

KEITH TAY AH KEE
Director

Dated this 13th day of May 2011

Statement by the Directors

Pursuant to Section 201(15)

We, EDMUND CHENG WAI WING and KEITH TAY AH KEE, being two of the Directors of SATS Ltd., do hereby state that in the opinion of the Directors:

- a) the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company, together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011, the changes in equity of the Group and of the Company, the results of the business and the cash flows of the Group for the financial year ended on that date; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board,

EDMUND CHENG WAI WING
Chairman

KEITH TAY AH KEE
Director

Dated this 13th day of May 2011

Independent Auditors' Report

To the members of SATS Ltd.

We have audited the consolidated financial statements of SATS Ltd. (the Company) and its subsidiaries (collectively, the Group) for the financial year ended 31 March 2011 in accordance with Singapore Standards on Auditing and in our report dated 13 May 2011, we expressed an unqualified opinion on the financial statements of SATS Ltd. and its subsidiaries ("the audited financial statements") which is as follows:

"INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SATS LTD.

Report on Financial Statements

We have audited the accompanying financial statements of SATS Ltd. (the Company) and its subsidiaries (collectively, the Group) set out on pages # to #, which comprise the balance sheets of the Group and the Company as at 31 March 2011, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

The page numbers are stated in the Auditors' report dated 13 May 2011 included in the SATS Annual Report for the financial year ended 31 March 2011.

Independent Auditors' Report

To the members of SATS Ltd.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.”

The accompanying summarised financial statements set out on pages 23 to 32 have been derived from the audited financial statements and are the responsibility of the Company's management. Our responsibility is to express an opinion on whether these summarised financial statements are consistent, in all material respects, with the audited financial statements and the Directors' Report and whether they comply with the requirements of section 203A of the Companies Act (Chapter 50) and the regulations made thereunder, applicable to summarised financial statements.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the audited financial statements and the Directors' Report and comply with the requirements of section 203A of the Companies Act (Chapter 50) and the regulations made thereunder, applicable to summarised financial statements.

For a better understanding of the financial performance and position of the Group and the Company and of the scope of our audit, these summarised financial statements should be read in conjunction with the audited financial statements and our audit report thereon.

ERNST & YOUNG LLP
Public Accountants and Certified Public Accountants

SINGAPORE
Dated this 13th day of May 2011

Consolidated Income Statement

For the year ended 31 March 2011 (in \$ Thousand)

	GROUP	
	2010–11	2009–10
Revenue	1,729,131	1,538,906
Expenditure		
Staff costs	(646,631)	(545,417)
Cost of raw materials	(474,635)	(409,512)
Licensing fees	(62,014)	(56,788)
Depreciation and amortisation charges	(96,096)	(90,796)
Company accommodation and utilities	(104,319)	(90,790)
Other costs	(160,950)	(161,239)
	(1,544,645)	(1,354,542)
Operating Profit	184,486	184,364
Interest on borrowings	(2,756)	(5,313)
Interest income	521	628
Dividend from long-term investment, gross	957	–
Share of profits of associated/joint venture companies	61,188	41,931
Gain on disposal of property, plant and equipment	215	538
Amortisation of deferred income, net of expenses	870	929
Loss on sale of short-term non-equity investment	–	(5)
Profit Before Tax	245,481	223,072
Taxation	(53,656)	(40,951)
Profit After Taxation	191,825	182,121
Profit Attributable To:		
Equity Holders Of The Company	191,450	181,241
Non-Controlling Interests	375	880
Profit For The Year	191,825	182,121
Basic earnings per share (cents)	17.4	16.7
Diluted earnings per share (cents)	17.3	16.7

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2011 (in \$ Thousand)

	GROUP	
	2010-11	2009-10
Profit After Taxation	191,825	182,121
Other Comprehensive Income, Net Of Tax		
Net fair value changes on available-for-sale assets	(11)	326
Foreign currency translation	(44,539)	(12,012)
	(44,550)	(11,686)
Total Comprehensive Income	147,275	170,435
Total Comprehensive Income Attributable To:		
Equity Holders Of The Company	150,929	170,420
Non-Controlling Interests	(3,654)	15
Total Comprehensive Income	147,275	170,435

Balance Sheets

At 31 March 2011 (in \$ Thousand)

	GROUP		COMPANY	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Share Capital	324,743	288,018	324,743	288,018
Reserves				
Revenue reserve	1,272,477	1,224,444	925,583	905,397
Share-based compensation reserve	18,815	22,601	18,815	22,601
Fair value reserve	(11)	–	–	–
Treasury shares	(1,275)	–	(1,275)	–
Statutory reserve	6,659	6,477	–	–
Foreign currency translation reserve	(100,152)	(59,642)	–	–
	1,196,513	1,193,880	943,123	927,998
Equity Attributable To Equity Holders Of The Company	1,521,256	1,481,898	1,267,866	1,216,016
Non-Controlling Interests	95,295	18,299	–	–
Total Equity	1,616,551	1,500,197	1,267,866	1,216,016
Deferred Taxation	95,618	98,591	28,075	28,505
Term Loans	12,751	5,796	–	–
Finance Leases	7,907	4,154	–	–
Defined Benefit Plan	55,821	–	–	–
Other Long-Term Liabilities	8,561	4,000	–	4,000
Deferred Income	17,312	19,134	17,312	19,134
	1,814,521	1,631,872	1,313,253	1,267,655
Property, Plant And Equipment	731,972	594,324	3,510	1,592
Investment Properties	15,951	6,459	362,554	385,869
Subsidiary Companies	–	–	540,950	540,754
Long-Term Investment	8,355	7,905	7,886	7,886
Joint Venture Companies	14,083	–	12,014	–
Associated Companies	314,196	334,781	270,819	270,819
Loan To Subsidiaries	–	–	123,902	1,227
Loan To An Associated Company	–	140	–	140
Intangible Assets	488,838	461,952	7,008	6,021
Other Non-Current Assets	9,125	12,125	–	12,012
Deferred Tax Assets	37,981	5,687	–	680

Balance Sheets

At 31 March 2011 (in \$ Thousand)

	GROUP		COMPANY	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Current Assets				
Trade debtors	284,508	219,438	5,586	7,368
Other debtors	18,699	16,650	942	1,851
Prepayments	15,890	9,091	1,660	1,263
Related companies	–	–	38,574	22,354
Amount owing by associated companies	5,259	516	5,259	517
Loan to an associated company	–	560	–	560
Loan to a subsidiary	–	–	467	–
Inventories	59,383	43,161	267	360
Fixed deposits	206,288	132,588	170,354	119,053
Cash and bank balances	97,588	63,761	10,789	12,087
	687,615	485,765	233,898	165,413
Less:				
Current Liabilities				
Bank overdraft – secured	7,759	599	–	–
Trade and other payables	286,003	219,230	37,257	25,810
Related companies	–	–	85,808	92,179
Provision for taxation	43,841	43,858	7,550	6,769
Term loans	151,420	12,841	118,673	–
Finance leases – current	4,572	738	–	–
	493,595	277,266	249,288	124,758
Net Current Assets/(Liabilities)	194,020	208,499	(15,390)	40,655
	1,814,521	1,631,872	1,313,253	1,267,655

Statements of Changes in Equity

For the year ended 31 March 2011 (in \$ Thousand)

	Attributable to Equity Holders of the Company							Total	Non-controlling Interests	Total Equity
	Share Capital	Revenue Reserve	Share-Based Compensation Reserve	Fair Value Reserve	Treasury Shares	Statutory Reserve*	Foreign Currency Translation Reserve			
GROUP										
Balance at 1 April 2010	288,018	1,224,444	22,601	–	–	6,477	(59,642)	1,481,898	18,299	1,500,197
Profit for the year	–	191,450	–	–	–	–	–	191,450	375	191,825
Other comprehensive income for the year	–	–	–	(11)	–	–	(40,510)	(40,521)	(4,029)	(44,550)
Total comprehensive income for the year	–	191,450	–	(11)	–	–	(40,510)	150,929	(3,654)	147,275
Contributions By And Distribution To Owners										
Transfer to statutory reserve	–	(182)	–	–	–	182	–	–	–	–
Share-based payment	–	–	2,406	–	–	–	–	2,406	–	2,406
Share options exercised and lapsed	35,972	260	(5,439)	–	–	–	–	30,793	–	30,793
Award of performance and restricted shares	753	–	(753)	–	–	–	–	–	–	–
Purchase of treasury shares	–	–	–	–	(1,275)	–	–	(1,275)	–	(1,275)
Acquisition of shares in subsidiaries	–	–	–	–	–	–	–	–	80,650	80,650
Dividends, net	–	(143,495)	–	–	–	–	–	(143,495)	–	(143,495)
Total contributions by and distribution to owners	36,725	(143,417)	(3,786)	–	(1,275)	182	–	(111,571)	80,650	(30,921)
Balance at 31 March 2011	324,743	1,272,477	18,815	(11)	(1,275)	6,659	(100,152)	1,521,256	95,295	1,616,551

* Certain countries in which some of the subsidiaries and associated companies are incorporated legally require statutory reserves to be set aside. The laws of the countries restrict the distribution and use of these statutory reserves.

Statements of Changes in Equity

For the year ended 31 March 2011 (in \$ Thousand)

	Attributable to Equity Holders of the Company							Non-controlling Interests	Total Equity
	Share Capital	Revenue Reserve	Share-Based Compensation Reserve	Fair Value Reserve	Statutory Reserve*	Foreign Currency Translation Reserve	Total		
GROUP									
Balance at 1 April 2009	255,177	1,161,762	23,824	(326)	6,123	(48,495)	1,398,065	18,284	1,416,349
Profit for the year	–	181,241	–	–	–	–	181,241	880	182,121
Other comprehensive income for the year	–	–	–	326	–	(11,147)	(10,821)	(865)	(11,686)
Total comprehensive income for the year	–	181,241	–	326	–	(11,147)	170,420	15	170,435
Contributions By And Distribution To Owners									
Transfer to statutory reserve	–	(354)	–	–	354	–	–	–	–
Share-based payment	–	–	4,340	–	–	–	4,340	–	4,340
Share options exercised and lapsed	32,081	740	(4,803)	–	–	–	28,018	–	28,018
Award of performance and restricted shares	760	–	(760)	–	–	–	–	–	–
Dividends, net	–	(118,945)	–	–	–	–	(118,945)	–	(118,945)
Total contributions by and distribution to owners	32,841	(118,559)	(1,223)	–	354	–	(86,587)	–	(86,587)
Balance at 31 March 2010	288,018	1,224,444	22,601	–	6,477	(59,642)	1,481,898	18,299	1,500,197

* Certain countries in which some of the Group's associated companies are incorporated legally require statutory reserves to be set aside. The laws of the countries restrict the distribution and use of these statutory reserves.

Statements of Changes in Equity

For the year ended 31 March 2011 (in \$ Thousand)

	Share Capital	Revenue Reserve	Share-Based Compensation Reserve	Treasury Shares	Fair Value Reserve	Total Equity
COMPANY						
Balance at 1 April 2010	288,018	905,397	22,601	–	–	1,216,016
Profit for the year	–	163,421	–	–	–	163,421
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income for the year	–	163,421	–	–	–	163,421
Contributions By And Distribution To Owners						
Share-based payment	–	–	2,406	–	–	2,406
Share options exercised and lapsed	35,972	260	(5,439)	–	–	30,793
Award of performance and restricted shares	753	–	(753)	–	–	–
Purchase of treasury shares	–	–	–	(1,275)	–	(1,275)
Dividends, net	–	(143,495)	–	–	–	(143,495)
Total contributions by and distribution to owners	36,725	(143,235)	(3,786)	(1,275)	–	(111,571)
Balance at 31 March 2011	324,743	925,583	18,815	(1,275)	–	1,267,866

	Share Capital	Revenue Reserve	Share-Based Compensation Reserve	Fair Value Reserve	Total Equity	
COMPANY						
Balance at 1 April 2009		255,177	907,684	23,824	(326)	1,186,359
Profit for the year		–	115,918	–	–	115,918
Other comprehensive income for the year		–	–	–	326	326
Total comprehensive income for the year		–	115,918	–	326	116,244
Contributions By And Distribution To Owners						
Share-based payment		–	–	4,340	–	4,340
Share options exercised and lapsed		32,081	740	(4,803)	–	28,018
Issuance of shares		760	–	(760)	–	–
Dividends, net		–	(118,945)	–	–	(118,945)
Total contributions by and distribution to owners		32,841	(118,205)	(1,223)	–	(86,587)
Balance at 31 March 2010		288,018	905,397	22,601	–	1,216,016

Consolidated Cash Flow Statement

For the year ended 31 March 2011 (in \$ Thousand)

	2010-11	2009-10
Cash Flows From Operating Activities		
Profit before taxation	245,481	223,072
Adjustments for:		
Interest income	(521)	(629)
Interest on borrowings	2,756	5,313
Dividend from long-term investment	(957)	–
Depreciation and amortisation charges	96,096	90,796
Unrealised foreign exchange gain/(loss)	645	(1,236)
Gain on disposal of property, plant and equipment	(215)	(536)
Share of profits of associated/joint venture companies	(61,188)	(41,931)
Share-based payment expense	2,406	4,340
Amortisation of deferred income, net of expenses	(870)	(929)
Loss on sale of joint venture company	–	8
Impairment of property, plant and equipment	–	18
Change in fair value reserve	(11)	326
Operating profit before working capital changes	283,622	278,612
Changes in working capital:		
Increase in debtors	(14,726)	(100,846)
(Increase)/decrease in prepayments	(3,904)	4,040
(Increase)/decrease in inventories	(11,474)	13,463
Decrease in amounts owing by related companies	–	96,363
Increase in creditors	1,396	11,438
Increase in amounts due from associated companies	(4,743)	(268)
Cash generated from operations	250,171	302,802
Interest paid to third parties	(2,746)	(5,293)
Income taxes paid	(47,203)	(44,553)
Net cash from operating activities	200,222	252,956
Cash Flows From Investing Activities		
Capital expenditure	(68,075)	(64,122)
Repayment of loan by associated company	700	668
Dividends from associated companies	39,495	24,374
Dividends from long-term investment, gross	957	–
Proceeds from disposal of property, plant and equipment	352	2,837
Interest received from deposits	530	828
Proceeds from disposal of short-term non-equity investments	–	20,400
Investment in joint venture company	(1,886)	–
Acquisition of shares in subsidiary	(66,742)	–
Proceeds from sale of joint venture company	–	255
Net Cash Used In Investing Activities	(94,669)	(14,760)
Cash Flows From Financing Activities		
Repayment of medium-term notes and term loans	(9,493)	(228,014)
Repayment of finance leases and related charges	(2,613)	(2,514)
Drawdown of term loan	124,078	3,377
Proceeds from exercise of share options	30,793	28,018
Dividends paid	(143,495)	(118,945)
Purchase of treasury shares	(1,275)	–
Net Cash Used In Financing Activities	(2,005)	(318,078)
Net increase/(decrease) in cash and cash equivalents	103,548	(79,882)
Effect of exchange rate changes	(3,181)	(107)
Cash and cash equivalents at beginning of financial year	195,750	275,739
Cash And Cash Equivalents At End Of Financial Year	296,117	195,750

Notes to the Financial Statements

31 March 2011

1. GENERAL

SATS Ltd. (the "Company") is a limited liability company incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is an associated company of Venezia Investments Pte. Ltd., a subsidiary of Temasek Holdings (Private) Limited, both incorporated in the Republic of Singapore.

The registered office of the Company is at 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659.

The Company is principally an investment holding company. Its other activities include rental of premises and provision of management services to related companies.

The principal activities of the subsidiaries are disclosed in Note 21 to the financial statements.

The consolidated financial statements for the financial year ended 31 March 2011 were authorised for issue in accordance with a resolution of the Directors on 13 May 2011.

2. RELATED PARTY TRANSACTIONS (in \$ Thousand)

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Singapore Airlines Limited and companies owned and controlled by it were considered as related companies, before the Company was divested from Singapore Airlines Limited on 31 August 2009.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties during the financial year:

	GROUP		COMPANY	
	2010-11	2009-10	2010-11	2009-10
Services rendered by:				
Subsidiary companies	–	–	–	173
Related companies	–	104	–	–
	–	104	–	173
Sales to:				
Subsidiary companies	–	–	38,574	64,230
Related companies	–	59,780	–	1,130
Associated companies	5,259	1,436	5,259	1,436
	5,259	61,216	43,833	66,796

Notes to the Financial Statements

31 March 2011

2. RELATED PARTY TRANSACTIONS (cont'd) (in \$ Thousand)

Directors' and key executives' remuneration of the Company:

	COMPANY	
	2010-11	2009-10
Key Executives		
Salary, bonuses and other costs	2,519	2,425
CPF and other defined contributions	51	74
Share-based compensation expense	478	189
	3,048	2,688
Directors		
Directors' fees	1,030	1,051

Share options granted to and exercised by key executives of the Company are as follows:

Name of participant	Aggregate options granted since commencement of scheme to end of financial year	Aggregate options exercised since commencement of scheme to end of financial year	Aggregate options outstanding at end of financial year
Tan Chuan Lye	624,500	(350,000)	274,500

Shares awarded under the new share plans during the year and since the commencement of the Restricted Share Plan and Performance Share Plan are as follows:

Name of participant	Shares granted during financial year	Aggregate shares granted since commencement of plan to end of financial year	Aggregate shares vested/adjusted since commencement of plan to end of financial year	Aggregate shares not released at end of financial year
Clement Woon Hin Yong	180,000	524,000	(123,400)	400,600
Lim Chuang	55,000	132,000	(31,300)	100,700
Tan Chuan Lye	110,000	204,500	(55,400)	149,100
Robert Burnett	68,000	95,000	-	95,000
Chi Ping Huey	33,000	33,000	-	33,000

3. SUBSIDIARY COMPANIES

Acquisition of subsidiaries

On 20 December 2010, the Group through its subsidiary, SATS Investments Pte. Ltd. (SIPL), acquired 53.8% equity interest in TFK Corporation (TFK) for a consideration of \$122 million. Upon the acquisition, TFK and its subsidiaries (collectively known as TFK Group) became subsidiaries of the Group.

Additional Information

1. INTERESTED PERSON TRANSACTIONS (in \$ Thousand)

The interested person transactions entered into during the financial year ended 31 March 2011 are as follows:

Name of interested person	Aggregate value of all interested person transactions entered into during the financial year below (excluding transactions of value less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions entered into during the financial year below under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions of value less than S\$100,000)
Singapore Airlines Limited	–	30,068
Singapore Airlines Cargo Pte Ltd	–	800
SilkAir (Singapore) Private Limited	–	590
Singapore Telecommunications Limited	–	962
NCS Pte Ltd	–	385
Sembcorp Gas Pte Ltd	–	575
ST Synthesis Pte Ltd	–	100,100
ST Electronics (Info Comm System) Pte Ltd	–	168
Total	–	133,648

Note:

All the transactions set out in the above table were based on records from the Group's Register of Interested Person Transactions for the financial period under review, and include transactions whose durations exceed the financial period under review and/or multiple transactions with the same interested person. The transactions were based on actual or estimated values of the transactions for the entire duration of the relevant transactions in the case of fixed term contracts or annual/periodic values of the transactions in the case of open-ended contracts, taking into account agreed rates.

All the above interested person transactions were done on normal commercial terms.

2. MATERIAL CONTRACTS

Except as disclosed above and in the financial statements for the financial year ended 31 March 2011, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its President and Chief Executive Officer, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Information on Shareholdings

As at 23 May 2011

Number of Issued Shares	:	1,108,492,860
Number of Issued Shares (excluding Treasury Shares)	:	1,107,492,860
Class of Shares	:	Ordinary Shares
Number / Percentage of Treasury Shares	:	1,000,000 / 0.09%*
Voting rights (excluding Treasury Shares)	:	1 vote per Share

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 – 999	7,609	20.52	4,335,573	0.39
1,000 – 10,000	26,183	70.61	75,416,107	6.80
10,001 – 1,000,000	3,268	8.81	109,178,939	9.85
1,000,001 and above	21	0.06	919,562,241	82.96
Total	37,081	100.00	1,108,492,860	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%*
1	Venezio Investments Pte. Ltd.	479,096,858	43.26
2	DBS Nominees Pte Ltd	127,510,406	11.51
3	Citibank Nominees Singapore Pte Ltd	114,562,543	10.35
4	DBSN Services Pte Ltd	59,247,839	5.35
5	HSBC (Singapore) Nominees Pte Ltd	50,459,586	4.56
6	United Overseas Bank Nominees Pte Ltd	23,362,060	2.11
7	Raffles Nominees (Pte) Ltd	23,279,140	2.10
8	BNP Paribas Securities Services Singapore	17,398,862	1.57
9	OCBC Nominees Singapore Pte Ltd	2,652,718	0.24
10	UOB Kay Hian Pte Ltd	2,557,655	0.23
11	BNP Paribas Nominees Singapore Pte Ltd	2,428,252	0.22
12	Merrill Lynch (Singapore) Pte Ltd	2,143,591	0.19
13	Bank of Singapore Nominees Pte Ltd	2,039,677	0.19
14	Capital Intelligence Limited	2,000,000	0.18
15	Tan Leng Yeow	1,905,470	0.17
16	DBS Vickers Securities (S) Pte Ltd	1,865,507	0.17
17	DB Nominees (S) Pte Ltd	1,558,789	0.14
18	Kurt R M Lindblad	1,486,000	0.14
19	Phillip Securities Pte Ltd	1,482,288	0.13
20	Sing Chung Hui @ Sing Chung Sui	1,370,000	0.12
		918,407,241	82.93

* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 23 May 2011, excluding any ordinary shares held in treasury as at that date.

Information on Shareholdings

As at 23 May 2011

SUBSTANTIAL SHAREHOLDERS

As at 23 May 2011, the substantial shareholders of the Company and their direct and deemed interests, as shown in the Company's Register of Substantial Shareholders, were as follows:

Name of substantial shareholders	No. of shares in which the substantial shareholder has a direct interest (representing percentage of total shareholding**)	No. of shares in which the substantial shareholder has a deemed interest (representing percentage of total shareholding**)	Total no. of shares in which the substantial shareholder is interested (representing percentage of total shareholding**)
Temasek Holdings (Private) Limited	–	479,577,172** (approximately 43.30%*)	479,577,172 (approximately 43.30%*)
Tembusu Capital Pte. Ltd.	–	479,096,858** (approximately 43.26%*)	479,096,858 (approximately 43.26%*)
Napier Investments Pte. Ltd.	–	479,096,858** (approximately 43.26%*)	479,096,858 (approximately 43.26%*)
Venezio Investments Pte. Ltd.	479,096,858 (approximately 43.26%*)	–	479,096,858 (approximately 43.26%*)

** Derived mainly through the direct interest of Venezio Investments Pte. Ltd.

* The shareholding percentages have been calculated based on the number of issued ordinary shares of the Company as at 23 May 2011, excluding any ordinary shares held in treasury as at that date.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 23 May 2011, approximately 56% of the issued shares of the Company is held by the public (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")). The Company hence confirms that Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Notice of Annual General Meeting

SATS Ltd.

(Incorporated in the Republic of Singapore)
Company Registration No. 197201770G

NOTICE IS HEREBY GIVEN that the 38th Annual General Meeting of SATS Ltd. (the “**Company**”) will be held at the Marina Mandarin Ballroom, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, on Wednesday 27 July 2011 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 31 March 2011 and the Auditors' Report thereon.
2. To declare a final ordinary tax-exempt (one-tier) dividend of 6 cents per share and a special tax-exempt (one-tier) dividend of 6 cents per share for the financial year ended 31 March 2011.
3. To re-appoint Mr David Zalmon Baffsky as a Director under Section 153(6) of the Companies Act, Cap. 50 of Singapore (the “**Companies Act**”), to hold office from the date of this Annual General Meeting until the next Annual General Meeting.
4. To re-elect Mr Yeo Chee Tong, who will retire by rotation in accordance with Article 83 of the Company's Articles of Association and who, being eligible, will offer himself for re-election as a Director.
5. To re-elect Mr Leo Yip Seng Cheong, who will retire in accordance with Article 90 of the Company's Articles of Association and who, being eligible, will offer himself for re-election as a Director.
6. To appoint Mr Alexander Charles Hungate as a Director pursuant to Article 89 of the Company's Articles of Association.
7. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company to hold office until the next Annual General Meeting and to authorise the Directors to fix their remuneration.
8. To approve payment of Directors' fees of up to \$1,300,000 for the financial year ending 31 March 2012 (2011: up to \$1,308,200).

SPECIAL BUSINESS

Ordinary Resolutions

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

9. That authority be and is hereby given to the Directors of the Company to:
 - (a) (i) issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 5% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

Notice of Annual General Meeting

SATS Ltd.

(Incorporated in the Republic of Singapore)

Company Registration No. 197201770G

- (ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (aa) new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (bb) any subsequent bonus issue, consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

10. That the Directors be and are hereby authorised to:

- (a) grant awards in accordance with the provisions of the SATS Performance Share Plan (the “**Performance Share Plan**”) and/or the SATS Restricted Share Plan (the “**Restricted Share Plan**”); and
- (b) allot and issue from time to time such number of ordinary shares in the capital of the Company (“**Shares**”) as may be required to be issued pursuant to the exercise of options under the SATS Employee Share Option Plan (“**Share Option Plan**”) and/or such number of fully paid Shares as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan and/or the Restricted Share Plan (the Share Option Plan, the Performance Share Plan and the Restricted Share Plan, together the “**Share Plans**”),

provided that:

- (i) the aggregate number of new Shares to be allotted and issued pursuant to the Share Plans shall not exceed 15% of the total number of issued Shares (excluding treasury shares) from time to time; and
- (ii) the aggregate number of Shares under awards to be granted pursuant to the Performance Share Plan and/or the Restricted Share Plan during the period commencing from the date of this Annual General Meeting of the Company and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1% of the total number of issued Shares (excluding treasury shares) from time to time.

11. That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”) of the SGX-ST, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 22 June 2011 (the “**Letter to Shareholders**”) with any party who is of the class of interested persons described in the Appendix to the Letter to Shareholders, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the “**IPT Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

Notice of Annual General Meeting

SATS Ltd.

(Incorporated in the Republic of Singapore)

Company Registration No. 197201770G

12. That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchase(s) on the SGX-ST; and/or
- (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held;
- (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
- (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs after the relevant five-day period;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

“**Maximum Limit**” means that number of issued Shares representing 2% of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed, in the case of both a market purchase of a Share and an off-market purchase of a Share, 105% of the Average Closing Price of the Shares; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

13. To transact any other business which may arise and can be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Leow Chiap Seng
Company Secretary

Dated this 22nd day of June 2011
Singapore

Notice of Annual General Meeting

SATS Ltd.

(Incorporated in the Republic of Singapore)

Company Registration No. 197201770G

EXPLANATORY NOTES

1. (a) In relation to Ordinary Resolution No. 3, Mr David Zalmon Baffsky will be retiring from office at the Annual General Meeting in accordance with Section 153 of the Companies Act, and will be standing for re-appointment at the Annual General Meeting. Please refer to the sections on **"Board of Directors"** and **"Corporate Governance"** in the SATS Annual Report for FY2010-11 for more information relating to Mr Baffsky. Mr Baffsky will, upon re-appointment, continue to serve as a member of the Audit Committee. The Nominating Committee has considered Mr Baffsky to be an independent Director.
 - (b) In relation to Ordinary Resolution No. 4, Mr Yeo Chee Tong will be retiring from office at the Annual General Meeting pursuant to Article 83 of the Company's Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on **"Board of Directors"** and **"Corporate Governance"** in the SATS Annual Report for FY2010-11 for more information relating to Mr Yeo. Mr Yeo is a member of both the Audit Committee and Remuneration and Human Resource Committee. The Nominating Committee has considered Mr Yeo to be an independent Director.
 - (c) Dr Rajiv Behari Lall and Mr Mak Swee Wah are also due to retire by rotation under Article 83 of the Company's Articles of Association, but will not be offering themselves for re-election.
 - (d) In relation to Ordinary Resolution No. 5, Mr Leo Yip Seng Cheong will be retiring from office at the Annual General Meeting in accordance with Article 90 of the Company's Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on **"Board of Directors"** and **"Corporate Governance"** in the SATS Annual Report for FY2010-11 for more information relating to Mr Yip. Mr Yip is a member of the Remuneration and Human Resource Committee. Mr Yip is considered by the Nominating Committee to be an independent Director.
 - (e) In relation to Ordinary Resolution No. 6, Mr Alexander Charles Hungate is proposed to be appointed as an additional Director pursuant to Article 89 of the Company's Articles of Association. Please refer to the section on **"Board of Directors"** in the SATS Annual Report for FY2010-11 for more information relating to Mr Hungate. Upon his appointment, the Nominating Committee will consider Mr Hungate to be an independent Director.
 - (f) Mr Khaw Kheng Joo has elected to retire from office at the 38th Annual General Meeting.
2. Ordinary Resolution No. 8 is to approve the payment of Directors' fees of up to \$1,300,000 for the current financial year (**"FY2011-12"**). If approved, the proposal will facilitate the payment of Directors' fees during the financial year in which such fees are incurred. The amount of Directors' fees has been computed on the basis of the anticipated number of Board and Board Committee meetings for FY2011-12, assuming attendance in person by all the Directors at such meetings, at the scale of fees set out in the section on **"Corporate Governance"** in the SATS Annual Report for FY2010-11, and also caters for additional fees (if any) which may be payable due to additional Board or Board Committee members being appointed in the course of FY2011-12. If, for unforeseen reasons, payments are required to be made to the Directors in excess of the amount proposed, the Company will revert to shareholders for approval at the subsequent Annual General Meeting before any such payments are made.
 3. Ordinary Resolution No. 9, if passed, will empower Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The number of shares which the Directors may issue under this Resolution will not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company with a sub-limit of 5% for issues other than on a *pro rata* basis. The 5% sub-limit for non *pro rata* issues is lower than the 20% sub-limit allowed under the Listing Manual of the SGX-ST and the Articles of Association of the Company. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.
 4. Ordinary Resolution No. 10, if passed, will empower the Directors to grant awards pursuant to the Performance Share Plan and/or the Restricted Share Plan and to allot and issue Shares pursuant to the Share Option Plan, the Performance Share Plan and the Restricted Share Plan, provided that:
 - (a) the aggregate number of new Shares which may be issued under the Share Option Plan, the Performance Share Plan and the Restricted Share Plan is limited to 15% of the total number of issued Shares (excluding treasury shares) from time to time; and

Notice of Annual General Meeting

SATS Ltd.

(Incorporated in the Republic of Singapore)

Company Registration No. 197201770G

- (b) the aggregate number of Shares under awards which may be granted pursuant to the Performance Share Plan and/or the Restricted Share Plan from this Annual General Meeting to the next Annual General Meeting shall not exceed 1% of the total number of issued Shares (excluding treasury shares) from time to time.

The Share Option Plan was adopted by the Company in February 2000 and the last grant of options thereunder was made on 1 July 2008. The Performance Share Plan and the Restricted Share Plan were adopted at an Extraordinary General Meeting of the Company held on 19 July 2005 and were amended in 2006 and 2010.

5. Ordinary Resolution No. 11 is to renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as the term is used in Chapter 9 of the Listing Manual) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in the Letter to Shareholders. The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Letter to Shareholders for more details.
6. Ordinary Resolution No. 12 is to renew the mandate to allow the Company to purchase or otherwise acquire Shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use its internal sources of funds to finance the purchase or acquisition of the Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued Shares as at 23 May 2011 (the "**Latest Practicable Date**"), the purchase by the Company of 2% of its issued Shares (excluding Shares which are held as treasury Shares) will result in the purchase or acquisition of a maximum number of 22,149,857 Shares.

In the case of both market purchases and off-market purchases by the Company and assuming that the Company purchases or acquires the maximum number of 22,149,857 Shares at the maximum price of \$2.80 for one Share (being the price equivalent to 5% above the average closing prices of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 22,149,857 Shares is approximately \$62,019,599.60.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2011 are based on certain assumptions and are set out in paragraph 3.7 of the Letter to Shareholders.

Please refer to the Letter to Shareholders for more details.

NOTES

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 not less than 48 hours before the time appointed for the Meeting.

CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders for the proposed final and special dividends being obtained at the 38th Annual General Meeting of the Company to be held on 27 July 2011, the Transfer Books and Register of Members of the Company will be closed on 5 August 2011 for the preparation of dividend warrants.

Duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrar, M & C Services Private Limited, at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, up to 5.00 p.m. on 4 August 2011 will be registered to determine shareholders' entitlements to the proposed final and special dividends. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 4 August 2011 will be entitled to the proposed final and special dividends.

The proposed final and special dividends, if approved by shareholders, will be paid on 17 August 2011.

Proxy Form

SATS Ltd.

(Incorporated in the Republic of Singapore)
Company Registration No. 197201770G

IMPORTANT

- For investors who have used their CPF monies to buy the Company's shares, this Report is forwarded to them at the request of their CPF approved nominees and is sent solely FOR THEIR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We _____ (NRIC/Passport No. _____)

of _____ (Address)

being a *member/members of SATS Ltd. (the "**Company**") hereby appoint

Name	Address	NRIC/ Passport No.	No. of Shares Represented	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	No. of Shares Represented	Proportion of Shareholdings (%)

or failing *him/her, the Chairman of the Annual General Meeting ("**AGM**") of the Company as *my/our *proxy/proxies to attend and to vote for *me/us and on *my/our behalf and, if necessary, to demand a poll, at the AGM of the Company, to be held on 27 July 2011 and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the Chairman of the AGM shall be *my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder, for *me/us and on *my/our behalf and, if necessary, to demand a poll, at the AGM and at any adjournment thereof.

No.	Resolution	**For	**Against
Ordinary Business			
1	Adoption of the Directors' Report, Audited Accounts and the Auditors' Report		
2	Declaration of a final dividend and a special dividend		
3	Re-appointment of Mr David Zalmon Baffsky as Director		
4	Re-election of Mr Yeo Chee Tong as Director		
5	Re-election of Mr Leo Yip Seng Cheong as Director		
6	Appointment of Mr Alexander Charles Hungate as Director		
7	Re-appointment and remuneration of Auditors		
8	Approval of Directors' fees for the financial year ending 31 March 2012		
Special Business			
9	Authority for Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act, Cap 50		
10	Authority for Directors to grant awards and issue shares in accordance with the provisions of the SATS Performance Share Plan and SATS Restricted Share Plan and to allot and issue shares pursuant to the SATS Employee Share Option Plan		
11	To approve the proposed renewal of the Mandate for Interested Person Transactions		
12	To approve the proposed renewal of Share Purchase Mandate		
13	Any other business		

* Delete accordingly

** Indicate your vote "For" or "Against" with a (✓) within the box provided.

Dated this _____ day of _____ 2011.

Total Number of Shares Held

Signature(s) of Member(s) or Common Seal

Important: Please read notes on the reverse side

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member appoints two proxies, he must specify the proportion of his shareholding to be represented by each proxy, failing which the appointments will be deemed to have been made in the alternative.
3. The instrument appointing a proxy or representative must be signed by the appointor or his duly authorised attorney or if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
4. A corporation which is a member may also appoint by resolution of its Directors or other governing body an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore, to attend and vote on its behalf.
5. The instrument appointing a proxy or proxies (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 at least 48 hours before the time appointed for the AGM.
6. On a show of hands, the Chairman of the AGM, who may be appointed as proxy by one or more members and who may also be a member in his own name, may vote as he deems fit, subject to applicable law.
7. A member should insert the total number of Shares held. If the member has Shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members, he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register as well as Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
8. The Company shall be entitled to reject this instrument of proxy if it is incomplete, or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose Shares are entered in the Depository Register, the Company shall be entitled to reject this instrument of proxy which has been lodged if such member is not shown to have Shares entered against his name in the Depository Register at least 48 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

1st fold along this line

2nd fold along this line



Please
Affix
Postage
Stamp

The Company Secretary
SATS Ltd.
c/o M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906

3rd fold along this line and glue overleaf. Do not staple

3rd fold along this line and glue overleaf. Do not staple

3rd fold along this line and glue overleaf. Do not staple

Request Form

SATS Ltd.

(Incorporated in the Republic of Singapore)
Company Registration No. 197201770G

22 June 2011

Dear Shareholder,

This is a copy of the Summary Financial Report ("SFR") of SATS Ltd. ("SATS") for financial year 2010-2011. The SFR contains a review of the SATS Group for the financial year ended 31 March 2011. It also contains a summary of the audited financial statements of SATS and the SATS Group for that financial year. We will continue to send you a copy of the SFR for subsequent financial years, for as long as you are a SATS shareholder, unless you indicate or had previously indicated otherwise.

The Directors' Report and the full financial statements of SATS and the SATS Group for financial year 2010-2011 are set out in a separate report called the Annual Report. This report is available to all registered SATS shareholders at no cost upon request.

If you wish to receive a copy of the Annual Report for financial year 2010-2011 and for subsequent financial years for as long as you are a shareholder, please complete the request form below by ticking the appropriate box, and return it to us at the address specified overleaf, by no later than 29 June 2011. **If we do not receive your request form by such date, it will indicate that you do not wish to receive the Annual Report for financial year 2010-2011 and for future financial years.**

Nonetheless, please note that you may change your request in respect of our SFR and Annual Report for future financial years. If you had previously indicated your preference to us in connection with your receipt of the SFR and/or Annual Report for this and future financial years, you may change your earlier request by ticking the appropriate box in the request form below and returning it to us at the address specified overleaf, by no later than 29 June 2011. If we do not receive your request form, we will take it that there have been no changes to your preference. Your latest request will supersede the earlier requests received by us.

Please note that you will also be able to access the Annual Report on the SATS website www.sats.com.sg from 5 July 2011.

Yours faithfully,
For SATS Ltd.

LEOW CHIAP SENG

Company Secretary

TO: The Company Secretary SATS Ltd.

c/o M & C Services Private Limited
138 Robinson Road #17-00, The Corporate Office
Singapore 068906

NB. Please tick only one box. Incomplete or incorrectly completed forms will not be processed.

- *Please send to me/us the Annual Report for financial year 2010-2011 only.
- Please do not send to me/us the Summary Financial Report and Annual Report for as long as I am/we are shareholder(s) of SATS Ltd.
- Please send to me/us the Annual Report in addition to the Summary Financial Report for financial year 2010-2011 and for as long as I am/we are shareholder(s) of SATS Ltd.

* If you hold the shares under or through CPFIS, you can only select this first option.

The shares are held by me/us under or through (*please tick*):

- CDP Securities Account Number:

1	6	8	1	-															
---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
- CPF Investment Scheme ("CPFIS") Account
- Physical Scrips

Name(s) of Shareholder(s): _____

NRIC/Passport Number(s): _____

Address: _____

Signature(s): _____ Date: _____



1st fold along this line

2nd fold along this line



**BUSINESS REPLY SERVICE
PERMIT NO. 08403**



**The Company Secretary
SATS Ltd.**
c/o M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906

Postage will
be paid by
addressee.
For posting in
Singapore only



3rd fold along this line and glue overleaf. Do not staple

3rd fold along this line and glue overleaf. Do not staple

3rd fold along this line and glue overleaf. Do not staple

Corporate Information

As at 23 May 2011

BOARD OF DIRECTORS

Edmund Cheng Wai Wing
Chairman
David Zalmon Baffsky
David Heng Chen Seng
Nihal Vijaya Devadas Kaviratne CBE
Khaw Kheng Joo
Rajiv Behari Lall
Mak Swee Wah
Ng Kee Choe
Keith Tay Ah Kee
Yeo Chee Tong
Leo Yip Seng Cheong

BOARD COMMITTEES

Audit Committee

Keith Tay Ah Kee
Chairman
David Zalmon Baffsky
Nihal Vijaya Devadas Kaviratne CBE
Yeo Chee Tong

Board Executive Committee

Edmund Cheng Wai Wing
Chairman
David Heng Chen Seng
Mak Swee Wah
Ng Kee Choe

Board Risk Committee

Mak Swee Wah
Chairman
David Heng Chen Seng
Khaw Kheng Joo

Nominating Committee

Khaw Kheng Joo
Chairman
Rajiv Behari Lall
Keith Tay Ah Kee

Remuneration and Human Resource Committee

Edmund Cheng Wai Wing
Chairman
Ng Kee Choe
Yeo Chee Tong
Leo Yip Seng Cheong

COMPANY SECRETARY

Leow Chiap Seng

SHARE REGISTRAR

M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906

AUDITORS

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
One Raffles Quay
North Tower #18-01
Singapore 048583

Audit Partner
Nagaraj Sivaram
(appointed with effect from
FY2010-11)

COMPANY REGISTRATION NO.

197201770G

REGISTERED OFFICE

20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659

EXECUTIVE MANAGEMENT

Clement Woon Hin Yong
President & Chief Executive Officer
Lim Chuang
Chief Financial Officer
Tan Chuan Lye
Executive Vice President
Food Solutions
Robert Burnett
Chief Executive Officer
UK
Chang Seow Kuay
Senior Vice President
Food Solutions (Overseas Operations)
Chi Ping Huey
General Counsel
Tony Goh Aik Kwang
Senior Vice President
Strategic Marketing
Leong Kok Hong
Senior Vice President
Strategic Partnership
Andrew Lim Cheng Yueh
Senior Vice President
Greater China
Philip Lim Chern Tjunn
Senior Vice President
Apron Services
Denis Suresh Kumar Marie
Senior Vice President
Passenger Services
Yacoob Bin Ahmed Piperdi
Senior Vice President
Cargo Services
Poon Choon Liang
Chief Operating Officer
Singapore Food Industries Pte. Ltd.
Peter Tay Kay Phuan
Senior Vice President
Catering Services
Ronald Yeo Yoon Choo
Senior Vice President
Gateway Services (Overseas Operations)

Registered Office

SATS Ltd.
20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659

Company Registration No.

197201770G

General Line

Phone 65-6542 5555

Investor Relations

Phone 65-6541 8200
Fax 65-6541 8204

sats.com.sg