



Note to Editors
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SIA, DFASS AND SATS AGREE TRAVEL RETAIL JOINT VENTURE

- JV will transform SIA's 'KrisShop' and Scoot's 'Scootalogue' programmes into omni-channel e-commerce platforms
- SIA to hold 70% stake; DFASS and SATS to each hold 15%
- DFASS to be exclusive supplier of the JV
- SATS to manage on-board fulfilment

Singapore Airlines (SIA), DFASS and SATS have agreed to establish a joint venture to engage in travel-related retail operations in Singapore under the KrisShop and Scootalogue brand names.

Under a Points of Agreement, SIA intends to acquire 70% of DFASS SATS Pte Ltd, which currently is equally owned by DFASS (Singapore) and SATS subsidiary SATS Asia-Pacific Star Pte Ltd (APS). DFASS (Singapore) and APS will each retain 15% under the terms of the agreement.

The joint venture will enter into a management contract with DFASS and SATS to leverage the expertise of the two companies in the specific fields and will operate as a separate omni-channel business unit with dedicated staff. The technological platform will be developed in conjunction with DFASS exclusive partner, AOE, the world's leading non-aviation digitalisation company.

The joint venture will offer to travellers in-flight duty-free and duty-paid goods and pre-order services with on-board and ground-based deliveries, initially under the existing KrisShop and Scootalogue in-flight sales brands, but with the aim to expand the scope to other potential interested parties.

DFASS SATS Pte Ltd currently operates KrisShop for SIA and regional arm SilkAir, as well as the Scootalogue programme for SIA's low-cost subsidiary Scoot, under contract arrangements.

"This is a win-win-win partnership among three great companies which we expect will help us substantially grow our travel-related retail business," said SIA CEO, Mr Goh Choon Phong.

"The joint venture will bring together strengths of all three partners – the SIA Group's customer base of more than 30 million travellers per year and our growing KrisFlyer frequent-flyer programme, as well as SATS' airport and logistics expertise across Asia and DFASS' extensive supplier network and retail experience."

"Being a company which has been setting the pace in the Inflight Retail business for the last 25 years, we are very looking forward to transforming the current model into a modern, powerful and consumer oriented omni-channel experience," said DFASS Executive Vice Chairman, Mr Roberto Graziani.

"DFASS is really excited to start this new initiative that, we are convinced, will positively disrupt the Travel Retail business, together with partners that place customer experience at the heart of their strategy and with which we have built a successful long term relationship."

Mr Alex Hungate, President and CEO of SATS, said: "This new venture brings our longstanding partnership into the digital age. Passengers will benefit from relevant, exclusive shopping opportunities, customised for them personally, and integrated seamlessly into their overall customer experience."

Subject to the successful completion of due diligence, various conditions being met and necessary approvals being obtained, the share sale agreement, the joint venture agreement and other definitive agreements are expected to be firmed up in the third quarter of 2018.

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