

MEDIA RELEASE

SATS INVESTS \$18 MILLION IN NEW PRODUCTION LINE, EXPANDS KITCHEN

- New production line increases total airline catering capacity to approximately 115,000 meals a day
- Underscores commitment from SATS to support long-term growth of Changi airport
- Investments in technology and automation are aimed at enhancing productivity as well as food and service quality

Singapore, 1 August 2016 – SATS Ltd. (SATS), Asia's leading provider of Food Solutions and Gateway Services, today announced it is investing in a new production line that would enable mechanisation of up to 50% of certain kitchen operations.

This investment, made in anticipation of increased regional demand, is expected to enhance productivity and increase total production capacity across both of its inflight catering centres to approximately 115,000 meals a day.

The new production line will include automated sauce and ingredient dispensers as well as robotic wok paddles – speeding up soup, sauce and rice production and part of its dishing process. The highly automated system will be capable of processing food on a large scale which will in turn enhance consistency in taste and quality as well as further reduce labour intensive processes.

"Automation enables us to enhance the quality and consistency of our food and services. SATS continues to develop innovative premium offerings, creating value for our customers and delighting their passengers with enhanced quality services. This investment underscores our commitment to the long-term growth of Singapore's aviation industry and the development of our people, as we advance towards our vision of Feeding and Connecting Asia," said Alex Hungate, President and Chief Executive Officer, SATS.

To house the new line, SATS will expand its Inflight Catering Centre 2 by 5,000 square metres, bringing its total facility size to 60,000 square metres. The extended facility, with an investment of approximately \$18 million, is expected to be completed by the second quarter of 2017.



"The increased use of automation and robotics will allow us to produce larger quantities of food with a high level of quality and consistency," said Jean Sin, Assistant Vice President of Innovation and Product Development, SATS.

"For instance, dishes like fried rice or noodles are extremely sensitive to heat and handling. By using fryers and woks with automated stirrers, controlled timing and steam jets, we allow for a more uniform cooking process and an even heat distribution. In addition, the gentle continuous stirring motion at a consistent pace infuses flavours and aromas into the rice grains or noodles while maintaining a desired texture. This significantly enhances the quality, consistency and taste of the food."

Continued investment in innovation and technology

The new production line is the latest in a series of capital investments that SATS has deployed in its kitchens to drive operational efficiency. It joins a slew of sophisticated technologies that includes automated guided vehicles, a flexible assembly line, as well as an automated cutlery system that comprises an ultrasonic cutlery washing and polishing system and an automated cutlery sorting and packing machine.

SATS continues to drive growth with investments in cutting-edge innovations and job redesign with the aim of improving food and service quality, enhancing productivity and meeting the increased demand for air travel from the burgeoning urban population in the region.

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About SATS Ltd.

SATS is Asia's leading provider of gateway services and food solutions.

Our comprehensive gateway services encompass airfreight handling, passenger services, ramp handling, baggage handling, aviation security services, aircraft interior and exterior cleaning as well as cruise centre management. Our food solutions include airline catering, institutional and remote catering, aviation laundry as well as food distribution and logistics. SATS is present in 51 cities and 12 countries across Asia and the Middle East.

SATS has been listed on the Singapore Exchange since May 2000. For more information, please visit www.sats.com.sq.



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