



PROPOSED JOINT VENTURE FOR CARGO HANDLING AT MUSCAT INTERNATIONAL AIRPORT

1. Introduction

The Board of Directors of SATS Ltd. (“**the Company**” or “**SATS**”) is pleased to announce that its wholly-owned subsidiary, SATS Investments Pte. Ltd. (“**SIPL**”), has today entered into a joint venture agreement (the “**Joint Venture Agreement**”) with Oman Air S.A.O.C. (“**Oman Air**”) in relation to a cargo handling joint venture at Muscat International Airport.

2. Principal Terms of the Joint Venture Agreement

Pursuant to the Joint Venture Agreement, Oman Air will transfer its cargo handling business and related assets (the “**Business**”) to its wholly-owned subsidiary currently named “Oman Air Cargo LLC”. Subsequently, SIPL will acquire from Oman Air 165,000 shares of OMR 1 each of Oman Air Cargo LLC, representing 33% of the share capital of Oman Air Cargo LLC, at a purchase consideration of OMR 6,369,000 (approximately S\$22,455,000), to be satisfied in cash (the “**Transaction**”). Oman Air Cargo LLC will then be renamed “Oman SATS Cargo LLC”.

The purchase consideration was negotiated on an arm’s length and willing buyer-willing seller basis, taking into account several factors including the earnings and assets of the Business.

As at 31 December 2015, the unaudited book value and net tangible assets of the Business were approximately OMR 1.1 million (equivalent to approximately S\$3.9 million).

Completion of the Transaction is subject to the fulfillment of certain conditions precedent.

3. Financial Effect

The Transaction is not expected to have any material impact on SATS' net tangible assets per share and consolidated earnings per share for the current financial year.

4. Interest of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, other than through their respective interests (if any) in the Company.

BY ORDER OF THE BOARD

S. Prema
Company Secretary

31 March 2016
Singapore

The illustrative exchange rate used in this announcement is OMR 1 : S\$ 3.52567 as at 31 March 2016. This illustrative exchange rate is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.