



MEDIA RELEASE

SATS FORMS TRAVEL RETAIL JOINT VENTURE WITH DFASS

Singapore, 21 January 2016 – SATS Ltd. (SATS), through its wholly-owned subsidiary Asia-Pacific Star Private Limited, and DFASS (Singapore) Pte. Ltd. (DFASS) today signed an agreement to set up a 50:50 travel retail joint venture to be incorporated in Singapore.

To be named DFASS SATS Pte. Ltd. (DFASS SATS), the new company will provide inflight duty-free and duty-paid sales, offer mail order and pre-order service, supply liquor for inflight pouring services, and operate ground-based duty-free and duty-paid retail sales in Singapore.

Under the terms of the agreement, DFASS will transfer certain assets including merchandise inventories and point-of-sale devices to DFASS SATS, in exchange for ordinary shares in the company. SATS will match the value of DFASS' assets by injecting about S\$11.4m in cash – subject to the valuation of the assets by an independent valuer prior to the completion of the transaction – for its stake in DFASS SATS.

SATS will contribute to the joint venture by providing bar-cart packing, warehousing and cabin loading services while DFASS will continue to drive the airline and ground retail programme management including merchandising and sourcing, as well as the procurement and supply of the selling merchandise. In addition, the new company will utilise DFASS' state-of-the-art point-of-sales equipment and proven backoffice, as well as its eCommerce solution, complementing efficiency and maximising sales for both parties. Through SATS' ground presence, DFASS SATS will be able to extend its reach to more passenger touchpoints.

DFASS SATS will also pursue duty-free concession at Marina Bay Cruise Centre Singapore (MBCCS), enabling it to tap on the cruise passenger flow to pursue ground-based travel retail opportunities in addition to inflight, mail-order and pre-order sales. MBCCS is operated by SATS-Creuers Cruise Services Pte Ltd, a 60:40 joint venture between SATS and Creuers del Port de Barcelona S.A..



Alex Hungate, President and Chief Executive Officer of SATS said: “SATS and DFASS can offer more convenient shopping opportunities to the fast growing travel retail market. The joint venture will benefit from DFASS’ wide selection of high quality products and point-of-sale technology. Together, we will innovate and develop new ways of retailing to travellers and fulfilling their orders.”

Bernard Klepach, Owner, Chairman and Chief Executive Office of DFASS Group agreed and said: “As the leading food solutions and gateway services company in Asia, SATS serves millions of passengers and end-users each year, and we are able to gain insights about passenger consumption behaviour. I see synergy partnering with SATS where we leverage each other’s core strength to enhance our offering to Singapore-based airline customers, extending our reach to airline customers from the air, to the various touchpoints on ground. The benefit shall include cost savings from our alliance.”

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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 at 43 airports and 11 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.sg.

About DFASS (Singapore) Pte. Ltd.

DFASS (Singapore), a wholly-owned subsidiary of the DFASS Group, is an inflight retail concessionaire specialising in retail options for travellers and travel-related audiences in the Asia Pacific region. DFASS specialise in helping consumers and businesses access the enticing world of inflight travel retail. Our partnerships with suppliers of the world's premium luxury brands, coupled with our global reach, along with innovative marketing, state-of-the-art point-of-sales handheld technology, customised training and motivation, competitive financial support, and global operations, logistics and inventory-management, allows DFASS to offer



seamless retail transactions to thousands of airline customers each day - on the ground and in the air. For more information, please visit www.dfassgroup.com.

Media Contacts:

Melissa Low

Assistant Manager, Public Affairs & Branding
SATS
DID: (65) 6541 8200
HP: (65) 9363 6516
Email: melissa_lowym@sats.com.sg

Lee Hwee Ming

Executive Vice President, Deputy Chairman Office
DFASS (Singapore)
DID: (65) 6822 8790
HP: (65) 8188 0116
Email: hweeming.lee@dfassgroup.com

Lance John

Manager
Edelman Public Relations
DID: (65) 6347 2329
HP: (65) 9773 4015
Email: lance.john@edelman.com