



MEDIA RELEASE

SATS' INNOVATIVE PRODUCT AND SERVICE INITIATIVES SET NEW INDUSTRY BENCHMARKS

Singapore, July 18, 2005– Singapore Airport Terminal Services ("SATS") is proud to unveil its latest product and service offerings aimed at redefining the ground handling and inflight catering industry.

SATS President and Chief Executive Officer, Mr Ng Chin Hwee said, "We aim to set new benchmarks with our product and service offering, underscoring our standing as *the* premier ground handling and inflight catering company in the region.

"Today's announcement is yet another testimony of our commitment to service quality. In this financial year, we will be investing about SGD 23 million in a comprehensive product and service upgrade, covering three focus areas --- to enhance the passenger experience, to strengthen the air cargo hub and to upgrade the inflight dining experience."

At the airport, a 24-hour check-in service will be extended to airline passengers in addition to the multitude of check-in methods available such as fax, Internet and phone check-in. Airline passengers can also make use of self-service check-in kiosks when these are introduced by early 2006. At the check-in counters and boarding gates, passengers from key markets such as Korea, Japan, China and India may find themselves being served by native language speakers from their home countries.

From August 2005, the SATS SpecialCare Check-in Lounge will offer a dedicated facility, allowing special needs passengers and their companions to check-in in the comfort of a lounge, instead of queuing at the usual check-in counters.

To strengthen the air cargo hub, SATS has committed more than SGD 9 million this year to upgrade the airfreight terminals, material handling systems and ground support equipment with the aim of increasing handling capacity and enhancing the current performance levels. For cargo airlines and shippers using SATS' services, the integrated SATS Cargo Web Portal will enable them to better track the delivery of their shipments.

To upgrade the inflight dining experience, SATS introduces the Boutique Bakery to produce premium quality baked goods, and the Ethnic Speciality Kitchens where specially trained chefs are dedicated to bring Indian/Tandoor, Malay, Japanese, Chinese and Thai inflight meals to higher levels of taste and quality.

SINGAPORE AIRPORT TERMINAL SERVICES LIMITED

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Mr Ng continued, "These initiatives underscore SATS' commitment to constantly innovate, explore new technologies such as radio frequency, methods and practices to deliver quality products and services. We believe it is this level of dedication in attending to the specific needs of our customers that sets us apart from the rest.

"By delivering a greater value proposition to our customers with these quality initiatives, we wish to reaffirm our leadership position in the industry and, in doing so, ensure that, SATS, as the leading ground handler in Singapore, continues to play a pivotal role in supporting Changi Airport as the regional hub."

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For more information on SATS new product and service initiatives, please refer to the attached fact sheet.

About Singapore Airport Terminal Services Limited (SATS)

The Singapore Airport Terminal Services (SATS) Group is the leading provider of integrated ground handling and airline catering services at Singapore Changi Airport. SATS' network of ground handling and airline catering operations spans 25 airports in the Asia Pacific region. SATS' services include airfreight handling, airline catering, passenger services, baggage handling, ramp handling, aviation security and airline linen laundry. SATS, a subsidiary of Singapore Airlines (SIA), has been listed on the Singapore Exchange since May 2000.

For more information on SATS, please visit www.sats.com.sg

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SATS' NEW PRODUCT AND SERVICE INITIATIVES

Enhancing Passenger Service

- **SATS SpecialCare Check-in Lounge**
Probably the first ground handler in the world to offer this degree of attention on customer handling, the SATS SpecialCare Check-in Lounge, when launched later in August 2005, will provide a dedicated check-in facility for special-needs airline passengers. For instance, airline passengers with restricted mobility and accompanying family and friends can opt out of the usual lines at the check-in counters and check-in in the comfort of the lounge.

- **Native language speakers**
As an air travel hub, Changi Airport has the privilege of playing host to visitors from all corners of the earth and of many different cultural backgrounds. Appreciating that the friendly, welcoming face of someone that speaks your native language can make the prospect of arriving at an unfamiliar place seem less daunting, SATS Passenger Services has, since June 2004, recruited native language speakers from China, Korea, and Japan. Hindi speakers will be the next to be introduced from September 2005.

The use of native language speakers provides customised handling of airline passengers, easing communications between passenger services staff and airline passengers and providing for improved interaction.

- **24-hour and Multiple check-in modes**
Check-in for a flight has never been so convenient. SATS currently offers multiple check-in modes – airline passengers can choose to check in by telephone, facsimile or over the Internet. From August 2005, they can also make use of SATS' 24-hour check-in service at Changi Airport and avoid the last minute rush and queues at the check-in counters.

- **Premium Club Facilities**
SATS was the first ground handler in the world to introduce the **Premier Check-in Lounge**. Catering to passengers travelling in First and Business Class of SATS' airline clients in Terminal One, the Premier Check-in Lounge enables these passengers to check-in in the comfort of a lounge as well as proceed to the Immigration counters through a private exit door.

SATS will be extending this service facility to a **Premium Club** concept, encompassing special privileges at our lounges and other facilities at Changi Airport.

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The **SATS Premium Lounge** at Terminal Two was recently upgraded to cater for a larger capacity. It now offers better facilities and enlarged F&B menus for the passengers. The Premium Lounge at Terminal One will also undergo renovations to upgrade its facilities in the later part of the year.

Together with the acclaimed **Rainforest Lounge**, a relaxing themed-based lounge open to passengers regardless of class of travel, SATS now offers a wide range of superior lounge facilities catering to the needs of all passengers.

- **Common-User Self-Service Check-in**

Yet another alternative to the queues at the check-in counters, SATS is set to launch the Common-User Self-Service Check-in station in early-2006. Operating much like a bank-shared ATM, these self-service kiosks allow airlines to offer to their passengers self check-in functionality at the touch of a screen. SATS is investing more than S\$2.0 million in the Common-User Self-Service Check-in project.

- **Mobi-Check, Mobi-Gate & Tablet PCs**

SATS has invested more than S\$1.5 million to bring wireless technology solutions to its passenger handling processes. The **Mobi-Gate**, a portable, wireless boarding gate reader, was developed with the objective of reducing passenger processing times at the gate hold rooms. As part of its trial implementation in May 2005, four Mobi-Gates are positioned in Terminal One of Changi Airport, so as to ease congestion resulting from enhanced security checks and at gate hold rooms which have only one boarding gate reader.

Wireless **Mobi-Check PCs** have been used in departure halls as "queue busters", to reduce passenger waiting time during peak travel periods. Operating as full service check-in workstations (including printing of boarding passes and bag tags), the Mobi-Check PC is especially useful for staff facilitating tight connections at the arrival gate for transfer passengers when an incoming flight is delayed – by eliminating the need for transfer passengers to check-in at the main transfer desks.

SATS started its usage of the networked-linked **Tablet PCs** on a trial basis in June 2004. Check-in staff who handle queue combing duties are able to offer passengers an abbreviated check-in process through the use of the tablet PC. Information retrieval is faster and staff can provide important updated information on flight arrivals and departures or advise travel arrangements. The tablet PCs will now be fully introduced for operational use from September 2005.

SATS is the only ground handler at Changi Airport to provide wireless check-in and boarding gate solutions.

- **Baggage Reconciliation System ("BRS")**

Exclusive for SATS clients at Changi Airport, the BRS provides real-time baggage management solutions and improves the reconciliation of passenger and baggage data. Implemented in June 2004 at a cost of S\$3 million, the BRS enhances flight security by ensuring that passengers are matched with their bags on the same flight, thus complying with the industry ICAO Annex 17 requirements, which calls for any unaccompanied bag to be quickly identified and offloaded.

With the BRS in place, the time taken to offload bags has been shortened considerably, minimising disruption to flight schedules. Following its successful rollout with Singapore Airlines, the BRS is now implemented by other airlines such as Air New Zealand, All Nippon Airways, Austrian Airlines, British Airways, Cathay Pacific and Qantas Airways.

- **'Pet Hotel'**

Subject to regulatory approval, SATS will soon introduce a special pet handling facility at the airport. Supervised by a vet in attendance, the SATS 'Pet Hotel' will provide a dedicated temporary housing for pets on transit. From October 2005, anxious pet owners will soon be able to rest easy knowing that their favourite pet companion is well looked after by SATS during their transit stopover at Changi Airport.

Strengthening the Air Cargo Hub

○ **Airfreight Terminals ("AFTs"), Material Handling Systems ("MHS") and Motorised Ground Support Equipment ("GSE") upgrades**

With an eye firmly fixed on future growth, SATS has, in two phases commencing in August 2002, invested close to S\$12 million in upgrades to the AFTs and MHS.

The first phase of upgrades were completed in December 2003 at the cost of S\$7.4 million while the second phase of upgrades is now underway and scheduled to complete in 2006. At the end of phase two, there will be increased cargo shipment storage space, improved cargo tracking, improved on-time delivery and uplift of cargo and, on an overall basis, greater efficiency in operations, improved equipment serviceability and reliability.

SATS is also investing S\$2.2 million in this financial year to upgrade its fleet of motorised GSEs to cater for traffic growth as well as for the new A380 aircraft type which requires the use of specially designed vehicles.

○ **Cargo Web Portal**

The SATS CargoNet is the SATS Cargo web portal which allows for real-time flight and shipment tracking using the Internet platform. To-date, a total of S\$0.4 million has been invested in the initial development and subsequent improvements to the SATS CargoNet. Improvements made since October 2004 include:

- Real-time tracking of shipments to the cargo terminal, facilitating airlines booking shipments for uplift
- Instant access to finalised Dead Load Statement ("DLS") and Manifest for yield maximisation and payload restrictions
- List of interline airway bills uplifted, for accounting purposes
- Flight schedules and aircraft parking bay information

More features are scheduled to be launched by end of this year.

○ **Radio Frequency Identification ("RFID") and Radio Frequency Data Terminals ("RFDT")**

SATS has committed close to S\$0.7 million to introduce the use of Radio Frequency technology to our cargo handling processes. Using radio frequency wireless technology, the RFDT and RFID systems provide for real-time, online tracking and update of cargo Unit Load Device ("ULD") movements in and out, as well as within the airfreight terminals. Besides giving better control of the stock checking process, the systems also improve efficiency and accuracy in the cargo handling process.

Upgrading the Inflight Dining Experience

- **Ethnic Specialty Kitchens**

Just as each airline passenger is different, so too, do taste buds vary. SATS' Ethnic Specialty Kitchens dedicated for Chinese, Thai, Muslim and Japanese cuisine have assembled a host of international chefs to bring the home cuisine flavours to airline passengers of the key travel markets, making each inflight dining experience something to truly look forward to. The Tandoor kitchen is the latest Ethnic Specialty Kitchen, having started operations in April 2005.

- **Boutique Bakery**

A dazzling array of all things baked and beautiful, SATS Catering has in July 2005 set up a dedicated Boutique Bakery to produce premium quality baked goods. With a new Chief Baker to oversee the workings of the bakery, SATS Catering aims to bring to airline passengers a delightful range of baked goods to satisfy every sweet, and savoury, tooth.

Airline passengers can look forward to more than the traditional soft rolls and wholemeal rolls – they will get to enjoy the Bavarian Rye bread, Brioche Taler, Basler Rye and White Brezel, just to name a few.

- **Research & Development (R&D) Facilities**

Working in a state-of-the-art R&D centre consisting of a development kitchen, R&D laboratory and sensory room, the SATS Catering's R&D team has been engaged in intensive research on the application of food technology in support of SATS Catering's new product development programme. The team aims to provide airline clients with better food quality, and a wider range of menus.

With the use of the **Simulated Aircraft Cabin ("SAC")**, the R&D team is able to develop new products for improved menu planning and variety. To date, the SAC, constructed specifically for inflight catering R&D, has proven useful in the testing of various products.

Constructed at a cost of S\$1.8 million, the SAC simulates cabin conditions at 30,000 feet for testing meal quality, taste, presentation and freshness of meals served, and is testimony to SATS' commitment to continuous investment in new technology to ensure the highest standards of inflight cuisine are maintained.