

Media Release November/10

**SATS ACQUIRES JAPAN AIRLINES INTERNATIONAL'S
50.7% EQUITY STAKE IN TFK CORPORATION FOR ¥7.8 BILLION**

Singapore, 29 November 2010 – SATS Ltd. is pleased to announce that its wholly-owned subsidiary, SATS Investments Pte Ltd, has entered into an agreement to purchase Japan Airlines International Co., Ltd's (JALI) entire stake of 50.7% in TFK Corporation (TFK) for ¥7.8 billion (approximately S\$122 million).

The purchase consideration is arrived at based on a number of valuation methodologies including the discounted cash flow analysis. It will be fully satisfied in cash and financed through a combination of internal resources and debt. The acquisition is targeted to complete by December 2010, subject to customary closing conditions. Upon the completion of this acquisition, TFK will become a subsidiary of SATS.

TFK is the leading airline caterer in Japan. It has a strong presence at both Narita and Haneda Airports, the two major international gateways of Japan. Currently, TFK serves about 30 international airlines including Japan Airlines and Air France, which has a minority stake in TFK.

Established in 1959, TFK was founded by the Nomaguchi family. Following JAL's acquisition of 50.7% stake in TFK in 2000, the Nomaguchi family's shareholding currently stands at 43.2% with Air France holding a 0.3% stake. The remaining 5.8% stake represents treasury shares held by TFK.

Acquisition Rationale and Strategic Fit

SATS has been proactively seeking opportunities both in Singapore and overseas to grow its two core businesses of gateway services and food solutions. The acquisition of TFK will provide SATS with an entry into the Japanese airline catering market, enabling it to strengthen existing relationships with key customers such as Japan Airlines and Qantas Airways, while increasing capability to serve its core group of customers at new key locations.

Mr Clement Woon, President & Chief Executive Officer of SATS said, “This acquisition underscores our focused strategy to strengthen and grow our core business globally. It enables us to build a leadership position in the Japanese airline catering market while at the same time participate in an exciting phase of expansion in the two primary hubs at Narita and Haneda, which are expected to see significant increase in arrival and departure slots in the next few years.”

Last month, Haneda Airport witnessed the opening of a new international terminal that would allow more international airlines to fly into Tokyo. In addition, the Ministry of Land Infrastructure, Transportation and Tourism of Japan released its growth strategy report in May this year, citing its plans to increase yearly slots at both Narita and Haneda Airports by 80,000 and 87,000 respectively to 300,000 and 447,000 slots by 2014.

“We warmly welcome TFK into the SATS group of companies. TFK represents an ideal complement to SATS’ existing airline catering operations. We see synergies in the areas of cross marketing, procurement, sharing of ethnic culinary skills as well as cross training and development of our people across the geographies where we are present,” added Mr Woon.

Financial Impact

For the financial year ended 31 March 2010, the net asset value of JALI’s entire shareholding interest in TFK amounted to approximately S\$90 million. None of the directors or controlling shareholders of SATS has any interest, direct or indirect, in the acquisition.

As the acquisition is expected to be completed by December 2010, it is not expected to have any material impact on the SATS Group’s earnings per share and net tangible assets per share for the current financial year ending 31 March 2011.

About SATS Ltd.

With over 60 years of operating experience and an emerging global presence, SATS is Singapore's leading provider of gateway services and food solutions.

Our comprehensive scope of gateway services encompasses airfreight handling, passenger services, ramp handling, baggage handling, aviation security, aircraft interior and exterior cleaning while our food solutions business comprises inflight catering, food distribution and logistics, industrial catering, chilled and frozen food manufacturing as well as airline linen laundry. SATS has also recently launched the Downtown Check-in Service at the Marina Bay Sands.

SATS 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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