

SATS SELLS EXPRESS COURIER CENTRE TWO TO DHL

Singapore, 2 January 2008 – Singapore Airport Terminal Services Limited (SATS) announces that it has today sold SATS Express Courier Centre Two (ECC2) to DHL Express (Singapore) Pte Ltd (DHL) for S\$38 million.

ECC2 is located within the Singapore Changi Airport Free Trade Zone. It has a total floor area of about 18,000 square metres.

Purpose-built by SATS for DHL's Singapore hub operations, ECC2 has been largely occupied by DHL on a long-term licence since September 2001, with SATS taking an area of about 940 square metres for its maintenance of some ground handling equipment. Following the sale, DHL will lease the same space in ECC2 to SATS to continue its maintenance operations.

Mr Clement Woon, President and Chief Executive Officer of SATS said: "The sale of ECC2 is yet another initiative on our part to help our customer expand their operations and anchor their presence in Singapore. It also further strengthens the long-term collaboration between both companies. SATS will continue to provide cargo handling services to DHL following the sale."

Mr Stephen Fenwick, Senior Vice President of Operations of DHL Express Asia Pacific said: "DHL and SATS have had a long and mutually beneficial partnership, with ECC2 originally built by SATS for DHL's Singapore Hub operations. DHL appreciates SATS' commitment to helping it become the region's first choice express service provider, and is happy to note that our strong relationship will continue after the sale of the property, with SATS still providing cargo handling services to DHL."

Mr Lim Kim Choon, Director-General & Chief Executive Officer of the Civil Aviation Authority of Singapore (CAAS) remarked, "We are pleased to note the agreement between SATS and DHL on the sale of ECC2. We welcome DHL's continued investment in express cargo handling facilities at Changi Airport and look forward to its continued growth in Singapore. DHL's purchase of the ECC2 signals its commitment to expanding its business at Changi. SATS' role in facilitating this transaction demonstrates the importance it places on service to its customers, and exemplifies the good cooperation within the air cargo community to improve cargo handling

in Singapore. CAAS will continue to support the players in the air cargo community in pursuing the objective of growing Changi Airport as a leading international air cargo hub."

The cash consideration of S\$38 million was agreed upon, on a willing buyer-willing seller basis, after taking into consideration the open market value of ECC2. Based on the latest available valuation commissioned by SATS, the open market value of ECC2 as at 1 December 2007 was S\$35 million.

The net book value of ECC2 as at 30 September 2007 was S\$20.89 million. Assuming that the transaction had been completed on 30 September 2007, the net gain of S\$15.23 million from the sale would have increased the net tangible assets per share of SATS by approximately 1.42 cents. The earnings per share of SATS for the six months ended 30 September 2007 would have increased by approximately 1.39 cents assuming that the transaction was completed on 1 April 2007.

-- End --

About Singapore Airport Terminal Services Limited

Singapore Airport Terminal Services Limited (SATS) 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 18 overseas investments covering close to 40 airports in the Asia Pacific region. SATS' services include airfreight handling, airline catering, passenger services, baggage handling, ramp handling, aviation security, airline linen laundry and processed food manufacturing. SATS, a subsidiary of Singapore Airlines Limited (SIA), has been listed on the Singapore Exchange since May 2000.

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

Investor and Media Contacts:

Sandy Leng (Ms)
Manager Investor Relations, SATS
Tel: (65) 6541 8200 (office hours)
Tel: (65) 9018 5168 (after office hours)
Fax: (65) 6541 8204
Email: sandy_leng@singaporeair.com.sg

Evangelina Wee (Ms)
Gavin Anderson & Co
Tel: (65) 6339 9110 (office hours)
Tel: (65) 9185 5105 (after office hours)
Fax: (65) 6339 9578
Email: ewee@gavinanderson.com.sg