

## **IPO Expected to Provide Greater Management Independence**

SATS IPO values company at S\$2.5 billion – 110 million shares priced at S\$2.50 representing 22.7 times 1999 earnings.

Multiple award-winning Singapore Airport Terminal Services Group (SATS) launched its initial public offer on the Singapore Exchange today after its roadshow to potential international investors.

Parent company and vendor Singapore Airlines (SIA) will be offering 110 million ordinary shares of SATS at S\$2.50 each, representing 11 per cent of SATS' current share capital of one billion shares.

SATS is valued at S\$2.5 billion, representing 22.7 times 1999 earnings.

SATS has a reputation for high-quality customer services and has replicated its success in ten joint ventures in nine countries around the Asia-Pacific region.

Chief Executive Officer Prush Nadaisan said that after the listing, SATS intended to continue expanding aggressively overseas.

"In Singapore SATS has strong and established ties with its airline clients.

"The company is set to experience organic growth with investments in its new air freight terminal and new express courier centre, where capacity will increase to serve the projected increase in passenger and freight traffic through Singapore.

"We are coming to market at a time of anticipated growth in air traffic, particularly in this region. Boeing estimates air travel to grow 4.6% and air cargo to expand by more than 6% until 2008," he said.

Mr Nadaisan said the industry trend of consolidation would present excellent opportunities for SATS to form strategic alliances and new joint ventures overseas.

"As airports privatise and deregulate, and more airlines spin-off their ground handling and inflight catering subsidiaries, we expect to be able to make some strategic acquisitions.

"Going public will therefore give us the freedom and financial ability to grow our business and propel it forward," he said.

The Development Bank of Singapore and Merrill Lynch are joint global co-ordinators and bookrunners in connection with the listing.

The ordinary shares of SATS offered in its initial public offer will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States, or to or for the account of benefit of U.S. persons (as defined in the U.S. Securities Act of 1933), absent registration under, or an exemption from the registration requirements of, the U.S. Securities Act of 1933.

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