



## **PRESS RELEASE**

### **SATS AND AIRASIA IN PARTNERSHIP TO GROW GROUND HANDLING ACROSS ASEAN**



**Singapore, 30 October 2017** – SATS Ltd (SATS), Asia's leading provider of Gateway Services and Food Solutions, and AirAsia Berhad (AirAsia), Asia's leading low-cost carrier, today formalised a ground handling partnership in the fast-growing Asean region.

SATS has formed a new ground handling entity, SATS Ground Services Singapore Pte Ltd (SGSS) to serve customers at Changi Airport's new Terminal 4.

Under the terms of the partnership, SATS will acquire a 50% interest in Ground Team Red Holdings Sdn Bhd (GTRH) in exchange for SATS' 80% stake in SGSS and aggregate cash consideration of SGD119.3 million (approximately MYR 372.2 million).

GTRH will be renamed SATS Ground Team Red Holdings Sdn Bhd, which will be the 50:50 joint investment vehicle of AirAsia and SATS that will hold stakes in both its Malaysia and Singapore subsidiaries, Ground Team Red Sdn Bhd (GTR) and SGSS respectively. AirAsia will effectively own 51% of GTR and 40% of SGSS while SATS will effectively own 49% of



GTR and 60% of SGSS. Both companies will also be responsible for growing the ground handling business in their respective markets and will explore expansion into Indonesia, the Philippines and Thailand in the near future.

SATS has been deploying technology to enhance connectivity for airlines and their passengers within its growing network of 47 airports across Asia. The new partnership will give SATS, which already owns a 49% stake in the largest flight caterer in Malaysia, Brahim's SATS Investment Holdings Sdn Bhd, access to the Malaysian ground handling market.

This partnership will also support the rapid growth of AirAsia towards 500 aircraft and 150 million passengers by 2027 by combining AirAsia's expertise in providing quick and low-cost turnarounds with industry best practices and innovative technology developed by SATS for passenger and ramp handling.

**Alex Hungate, SATS President and Chief Executive Officer**, said, "Rapid urbanisation has led to increased demand for travel in Asia and low-cost carriers like AirAsia have made travel affordable for everyone. In response to robust and resilient passenger traffic growth, airlines are increasing their fleet size, with 41% of the demand for new aircraft over the next 20 years coming from Asia Pacific.<sup>1</sup> The expanding fleet size represents a huge opportunity for SATS, and we are happy to partner with AirAsia in this joint venture."

**Tony Fernandes, AirAsia Group Chief Executive Officer** said, "Today, we are very pleased to announce that two home-grown companies have partnered together to form a new Asean joint venture. We believe this joint venture will allow AirAsia to unlock significant value and grow it as we have done with AirAsia Expedia, our aviation academy Asian Aviation Centre of Excellence and later this year, our leasing arm Asia Aviation Capital. Our assets are very valuable and slowly people are beginning to see the true value of AirAsia, as today's announcement proves."

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## **About SATS Ltd**

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<sup>1</sup> Growing Horizons 2017/36 [http://www.airbus.com/content/dam/corporate-topics/publications/backgrounders/Airbus\\_Global\\_Market\\_Forecast\\_2017-2036\\_Growing\\_Horizons\\_full\\_book.pdf](http://www.airbus.com/content/dam/corporate-topics/publications/backgrounders/Airbus_Global_Market_Forecast_2017-2036_Growing_Horizons_full_book.pdf)



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 55 cities, 47 airports and 14 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](http://www.sats.com.sg).

### **About AirAsia**

AirAsia, the world's leading low-cost carrier, services an extensive network of over 120 destinations across Asia Pacific. Since starting operations in 2001, AirAsia has carried more than 400 million guests and grown its fleet from just two aircraft to over 200. The airline is proud to be a truly Asean (Association of Southeast Asian Nations) airline with established operations based in Malaysia, Indonesia, Thailand and the Philippines as well as India and Japan, servicing a network stretching across Asia, Australia and New Zealand, the Middle East and the US. AirAsia has been named the World's Best Low-Cost Airline at the annual Skytrax World Airline Awards nine times in a row from 2009 to 2017.

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