



Note to Editors
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SINGAPORE AIRLINES PROPOSES DIVIDEND *IN SPECIE* OF ITS SHARES IN SATS

Singapore Airlines is proposing a dividend *in specie* to its shareholders of the Company's entire shareholding in Singapore Airport Terminal Services (SATS).

The proposed distribution is subject to approval from Singapore Airlines shareholders at an extraordinary general meeting to be convened on 31 July 2009 and other regulatory approvals. Under the Proposal, shareholders will receive up to 730 SATS shares for every 1,000 Singapore Airlines shares held.

Distributing shares through an *in specie* dividend will unlock shareholder value by giving Singapore Airlines shareholders direct ownership of SATS at no cost to them.

The proposed distribution will allow Singapore Airlines to concentrate on its airline and aircraft maintenance, repair and overhaul businesses.

SATS, on the other hand, will be able to independently pursue opportunities to lessen its dependence on the aviation business. The Proposal will improve trading liquidity of SATS shares, potentially enhancing value.

The relationship between Singapore Airlines and SATS will continue under agreements concluded recently. Singapore Airlines' ground handling and inflight catering at Singapore Changi Airport will be provided by SATS for another three years from 1 October 2009, with an automatic extension for a further two years unless either party terminates the agreements by giving prior notice.

More details can be found in the *Announcement to the Singapore Exchange on Proposed Dividend In Specie of Shares in Singapore Airport Terminal Services Limited*, which is available on the Singapore Exchange website under Company Announcements, or on the Singapore Airlines website, under Investor Relations.¹

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¹ This Media Release should be read and construed in the context of, and in conjunction with, the Announcement to the Singapore Exchange.