

MEDIA STATEMENT

Kuala Lumpur, 2 March 2015

Second MAS Recovery Plan Quarterly Progress Update (29 November 2014 – 28 February 2015)

Six months on, the MAS restructuring continues steady progress

- Implementation of the 12-Point MAS Recovery Plan (“MRP”) continues and is on track and on schedule in the first six months
- Critical milestones and progress achieved:
 - RM1.38 billion was disbursed for payment to shareholders pursuant to the successful selective capital reduction and repayment (“SCR”) exercise, as part of the first phase of conditional investment funding amounting to RM2.0 billion
 - Malaysian Airline System Berhad (“MAS”) shares were delisted from Bursa Securities on 31 December 2014
 - The Malaysian Airline System Berhad (Administration) Act 2015 (“MAS Act”) came into effect on 20 February 2015, after being passed by both houses of Parliament last year
 - Christoph Mueller assumed the role of Chief Executive Officer-designate of Malaysia Airlines Berhad (“NewCo”) on 1 March 2015. He is also a Non-Executive Director of MAS, following his appointment on 1 January 2015
 - Pending the outcome of on-going discussions for a new catering agreement, MAS and Brahim’s Airline Catering Sdn Bhd (“BAC”) have on 27 February 2015, entered into a Settlement Agreement (“SA”) for an interim period commencing 1 October 2014 to 31 March 2015. The SA provides for:
 - A 25% reduction on monthly bills to MAS
 - A settlement over disputed amounts owed to BAC, whereby MAS agrees to release to BAC a sum of RM37.95 million, which is less than the total monies amounting to RM94.03 million withheld by MAS due to the dispute
- Further progress in all other work tracks

Khazanah Nasional Berhad (“Khazanah”) today issued the second scheduled update on the on-going restructuring of MAS for the period 29 November 2014 to 27 February 2015, showing steady and sustained progress in all key areas under the five-year 12-point MRP announced on August 29 last year. The first MRP Quarterly Progress Update was released on 28 November 2014.

The restructuring of MAS involves a “complete overhaul” to return the national carrier to sustained profitability. This entails the transformation of MAS’s corporate structure, financial

position, operating performance and human capital management, guided throughout by the principles of fairness, transparency and compassion.

The first six months and upcoming developments

Over the last six months, strong progress has been made across the four main areas of the 12-point MRP (*refer to Appendix I*), namely Governance and Financial Framework, Operating Business Model, Leadership and Human Capital, and Regulatory and Enabling Environment.

As highlighted in the first MRP Quarterly Progress Update, the first three months of the restructuring saw several critical milestones achieved, including the approval of Khazanah's SCR proposal by MAS minority shareholders, the incorporation of a new company ("NewCo"), Malaysia Airlines Berhad, and the passing of the Malaysian Airline System Berhad (Administration) Bill 2014 by the Dewan Rakyat.

Since then, further progress has been made, including the disbursement of RM1.38 billion in conditional investment funding, as payment to shareholders following the successful completion of the SCR, the delisting of MAS, and the MAS Act coming into effect on 20 February 2015 after being passed by both houses of Parliament last year.

Another key development was the announcement of former Aer Lingus CEO Christoph Mueller as CEO-designate of NewCo on 5 December 2014. He assumed the role on 1 March 2015. Mr Mueller was also appointed Non-Executive Director of MAS, together with Celcom Axiata Berhad CEO, Dato' Sri Mohammed Shazalli Ramly, on 1 January 2015.

More recently on 27 February 2015, MAS and Brahim's Airline Catering Sdn Bhd ("BAC"), entered into a settlement agreement for an interim period commencing 1 October 2014 to 31 March 2015. The agreement provides a 25% reduction on monthly bills to MAS as well as a settlement on disputed amounts owed to BAC. Both parties are currently negotiating a new catering agreement that would be based on international standards.

Within the next three months, Khazanah is scheduled to disburse up to RM1.6 billion, as part of the second phase of conditional investment funding. The conditions for the disbursement are the delivery of several key milestones – a NewCo business plan approved by Khazanah and the MAS Board of Directors ("MAS Board"), a corporate governance review, implementation of a talent selection process as well as talent management and development programmes, and financial and operational targets to be agreed upon.

In addition, the migration of staff from Subang to Kuala Lumpur International Airport ("KLIA") is targeted to begin in May, while the Corporate Development Centre ("CDC") is set to begin operations by 1 April 2015. Meanwhile, the novation of supply contracts that meet NewCo's requirements would be well underway, and renegotiation of selected contracts continue.

As the one-year mark of the disappearance of MH370 draws closer, MAS will hold an internal private remembrance on 8 March 2015 involving MAS Board members, management, employees and the next-of-kin of the MAS crew on the flight. Our thoughts and prayers are with those affected and their loved ones.

The following are details on the progress achieved during the 29 November 2014 to 28 February 2015 period:

1. Conditional funding of up to RM6.0 billion and reduction of net gearing

As called for under the MRP, the completion of the SCR and the delisting of MAS are necessary conditions for Khazanah's commitment to disburse investment funding of up to RM6.0 billion on a phased basis and under strict conditions.

Of the first phase of conditional investment funding amounting to RM2.0 billion targeted for end December 2014, RM1.38 billion was disbursed for payment to shareholders pursuant to the successful SCR exercise. The remainder of this first phase of funding will be disbursed based on MAS cashflow requirements and conditions set by Khazanah.

Furthermore, as part of MAS's long term goal of reducing its gearing, discussions on the terms of a proposed debt-for-equity swap with several parties are ongoing, with broad agreement on key terms targeted by the end of Q1 2015 and execution of definitive agreements in Q2 2015.

2. Delisting of MAS and creation of NewCo

The delisting of MAS was completed on 31 December 2014 with the removal of MAS shares from the official list of Bursa Securities, following the successful completion of the SCR. Prior to this, the NewCo, Malaysia Airlines Berhad, was incorporated on 7 November 2014.

Meanwhile, the restructuring effort is progressing across multiple work tracks, driven by the MAS Restructuring Management Office ("RMO") towards the transitioning of relevant operations, assets and liabilities of MAS to NewCo by 1 July 2015, when it is scheduled to be operational.

3. Government support on key initiatives

The MAS Act came into effect on 20 February 2015, after being passed by the Dewan Rakyat on 27 November 2014 and by the Dewan Negara on 2 December 2014, respectively. The MAS Act is critical to the restructuring effort and will help to ensure a smooth transition to NewCo. It provides a legal environment that specifically addresses the necessary conditions for NewCo to start on the right footing and set the airline on the path to recovery.

Engagements with key stakeholders to ensure seamless transition to NewCo are also continuing, involving relevant Government ministries, domestic and international agencies such as the Department of Civil Aviation ("DCA"), International Air Transport Association ("IATA"), and International Civil Aviation Organization ("ICAO").

4. Leadership

On 5 December 2014, Christoph Mueller was announced as the NewCo CEO-designate. He assumed this role on 1 March 2015. Mr Mueller is a Non-Executive Director of MAS, together with Dato' Sri Mohammed Shazalli Ramly, Chief Executive Officer of Celcom Axiata Berhad, following their respective appointments to the MAS Board on 1 January 2015.

The appointments are part of the key initiatives under the MRP, which calls for the strengthening of the airline's leadership as it transitions to NewCo over the coming months.

Meanwhile, Ahmad Jauhari Yahya continues to be the Managing Director and Chief Executive Officer of MAS.

5. Review of supply contracts

More than 4,000 contracts have been identified under a comprehensive review of MAS' contracts. The process to novate contracts that meet the market-based requirements of NewCo commenced in end-February 2015, while discussions are underway on selected contracts that have been identified for renegotiation.

MAS is currently negotiating with BAC towards a New Catering Agreement (“NCA”), targeted to be signed on or before 31 March 2015. The NCA will be based on international standards, taking into consideration a home-based caterer serving a home-based national carrier, and will be driven by mutually-agreed key performance indicators.

Pending the outcome of the negotiations on a NCA, MAS and BAC have on 27 February 2015 entered into a Settlement Agreement (“SA”) for an interim period from 1 October 2014 to 31 March 2015. The SA provides for:

1. A 25% reduction on monthly bills to MAS during the interim period
2. A settlement over disputed amounts owed to BAC, whereby MAS agrees to release to BAC a sum of RM37.95 million, which is less than the total monies amounting to RM94.03 million withheld by MAS due to the dispute

The SA will remain in force subject to a NCA being signed on or before 31 March 2015. Should a NCA not be concluded within the timeframe, MAS will look at alternative catering suppliers to service NewCo. MAS Management is currently evaluating several options to ensure that in the event a NCA is not signed, there is no disruption to its current operations and that there is a smooth transition to NewCo.

6. Reskilling and redeployment

The CDC, which was previously named the Corporate Reskilling Centre (“CRC”), is currently putting in place the necessary structures and platforms in collaboration with various partners and stakeholders for it to commence operations by 1 April 2015.

The CDC will provide avenues and opportunities for the outplacement and reskilling of MAS staff not transitioning to NewCo. Exiting employees will have access to a broad range of services, which will include talent profiling, career counseling, basic and detailed training, job-seeking skills, entrepreneurship, retirement planning and placement.

The leadership of the CDC is on board, with Tan Sri Bashir Ahmad Abdul Majid as Chairman, Shahryn Azmi as CEO, and Dato’ Boonler Somchit as Non-Executive Director and Advisor. They were appointed to their respective positions on 1 January 2015.

7. Strengthening industrial relations

The Employee Consultative Panel (“ECP”) has held two meetings on 8 December 2014 and 17 February 2015, respectively, which were attended by all unions, employee associations and representatives from non-unionised staff.

Attendees at the first ECP meeting were briefed on the ECP’s terms of reference, and updated on the MRP, leadership announcements and talent assessment approach. Feedback was received and where feasible, addressed accordingly. The second ECP meeting involved discussions on the CDC, talent review programme, separation scheme, NewCo employment, and transition management.

The unions and employee associations that attended the ECP meetings were:

- Malaysia Airlines Pilots’ Associations (MAPA)
- Malaysian Airline System Managerial Staff Association (MASMA)
- Malaysia Airline System Executive Staff Association (MESA)
- Malaysian Airline System Employees’ Union Peninsular Malaysia (MASEU)
- Sabah Executive Staff Association of Malaysian Airline System (SEAMAS)
- Sarawak Executive Staff Committee (SESC)
- Airlines Workers Union Sarawak (AWUS)
- Air Transport Workers’ Union Sabah (ATWUS)

The ECP is intended to help boost alignment between employees, unions and management, and to provide a platform for a genuine exchange of views and ideas through dialogue and collaboration.

MAS management has also gone-on-the-ground (“*turun padang*”) to meet with employees, as part of efforts to garner employee feedback and update them on various restructuring initiatives. So far, 33 *turun padang* sessions have been held since 14 August 2014.

Concurrently, all MAS staff are being regularly engaged and updated on the ongoing restructuring via in-house channels such as MAS’ intranet, newsletters, letters from the CEO and Chief Restructuring Officer (“CRO”), social media and through other direct outreach initiatives.

8. Right-sizing the workforce

The talent assessment exercise at MAS was completed on 2 February 2015. The comprehensive process which covered approximately 20,000 employees, took into account the employees’ past performance, experience, qualifications, behavioral traits, disciplinary records, functional competencies and aspiration to join NewCo.

The exercise also included the most senior 500 executives at MAS undergoing a three-hour behavioural interview with an independent consultant, while the remaining employees completed a competency talent review questionnaire, designed specifically for each category of staff.

Post-talent assessment, the process of identifying the pool of staff that meets NewCo's requirements is in progress.

A separation scheme is also being developed, guided by principles that include recognition of the cessation of business, fairness to all parties, compliance to legal requirements, and financial constraints. The separation scheme should be viewed in relation to the outplacement and training services provided by the CDC to ensure minimal disruption to the livelihood of exiting employees.

A key priority is to ensure that airline operations continue smoothly. It is expected that there will be an operational transition period and the reduction in workforce numbers will be in stages, in tandem with operational transformation initiatives and readiness.

9. New operating business model and operational transformation

Based on further refinement of the NewCo business plan, a rationalisation in aggregate capacity in 2015 by more than 10% can be expected as NewCo focuses on more profitable domestic and regional routes. This short-term network consolidation is expected to enable a strengthening of the airline's financial position, putting it on the right path to subsequently grow its capacity by a compounded annual growth rate ("CAGR") of more than 5% per annum over the 2015-2020 period.

Specifically, NewCo plans to grow its domestic and ASEAN route capacity by 6-8% per annum and Asia-Pacific by 5% to build its Kuala Lumpur hub connectivity, while reviewing its European and Middle Eastern routes to focus on network contribution and profitability. Existing routes are therefore being carefully evaluated and where routes are not in line with these objectives, cancellations shall be considered.

The NewCo business plan is also being designed to realign fleet to network requirements. The choice of aircrafts deployed on these routes is a key contributor to the airline's performance, and a recalibration of aircraft suitability would ensure optimisation of profitability while minimising costs.

Further refinement of the NewCo business plan continue to surface numerous operational transformation opportunities in many areas of the business, including sales and marketing, product, aircraft ownership and ground operations. Addressing these issues will result in material improvements in the operational performance of the group.

Realisation of these improvements is also dependent on NewCo's success in executing these initiatives, which are being commenced. The restructuring effort will continue to explore opportunities for greater efficiencies as NewCo implements its business plan.

There are also contingency plans, as part of the business continuity plan, ready to be activated if the need arises in the transition from MAS to NewCo.

10. Consolidation at KLIA

The migration of staff from Subang to the Support Facility Building at KLIA is on track to begin in May 2015. This will include the migration of at least 1,300 staff from Subang to KLIA in stages. The renovation work at the Support Facility Building to support the staff transferred to the facility is ongoing, with overall progress at approximately 40%.

11. Strengthening assurance, integrity and safety

A Governance and Ethics Committee (“GEC”) was formed in December 2014, primarily to conduct a thorough, independent corporate governance review. The GEC will help facilitate the strengthening of key control and operational systems, related to assurance and integrity functions. It is a sub-committee of the MAS Board, with members comprising Independent Non-Executive Directors.

MAS has consistently adhered to the International Air Transport Association (“IATA”) Operational Safety Audit (“IOSA”) programme, as part of its compliance with IATA membership requirements. Further to its commitment to continually improve customer experience, MAS will voluntarily adopt the Enhanced IATA Operational Safety Audit in March 2015. This is aimed at enhancing operational safety and security practices at MAS.

12. External support and interest in the MAS restructuring

Khazanah continues to receive interest from various entities seeking to participate in or complement the MRP. In this regard, Khazanah has received 36 business proposals to-date.

Khazanah has met and will continue to meet relevant submitting parties to discuss their proposals in detail. Khazanah conducts a rigorous evaluation process and will only evaluate and assess credible proposals with proven capability and resources. Furthermore, all proposals should not involve any break up of MAS assets integral to its function as the national carrier.

Overall, the progress shown thus far is in line with the specific timeline for the return of MAS to sustained profitability under the MRP, which is as follows:

- By the end of 2014: Complete the delisting of MAS and announce the leadership of the NewCo
- By 1 July 2015: The formal transition to the NewCo
- By the end of 2017: Three years from the delisting, for the NewCo to achieve profitability
- Between 2018 and 2020: Between 3 to 5 years from delisting for the NewCo to be relisted

ENDS



For further information on Khazanah, please visit www.khazanah.com.my or contact Mohd Raslan Md Sharif at +603 2034 0000, or e-mail at raslan.sharif@khazanah.com.my.

About Khazanah Nasional Berhad

Khazanah Nasional Berhad (Khazanah) is the strategic investment fund of the Government of Malaysia entrusted to hold and manage the commercial assets of the Government and to undertake strategic investments. Khazanah is involved in various sectors such as power, telecommunications, financial institutions, healthcare, aviation, infrastructure, leisure & tourism, property, creative & media, education, and innovation & technology. Some of the key listed companies in Khazanah's investment portfolio include Telekom Malaysia Bhd, Tenaga Nasional Bhd, CIMB Group, Axiata Group Bhd, IHH Healthcare Bhd, Malaysia Airports Holdings Bhd and UEM Sunrise Bhd.

For further information, please visit www.khazanah.com.my

APPENDIX I

Progress of the 12-Point MAS Recovery Plan, by Quarter

A. Governance & Financial Framework	Quarter 1 (29 Aug 2014 – 28 Nov 2014)	Quarter 2 (29 Nov 2014 – 28 Feb 2015)
<p>Creation of NewCo to house the new MAS, delist and relist</p>	<ul style="list-style-type: none"> • MAS Extraordinary General Meeting (“EGM”) held on 6 November 2014, on Khazanah’s proposed selective capital reduction and repayment exercise (“SCR”) • The proposed SCR approved with 70.6% of minority shareholders present at the EGM, representing 93.3% in value of shares held by those present at the EGM, voting in favour of the resolution • Malaysia Airlines Berhad (“NewCo”) incorporated on 7 November 2014 	<ul style="list-style-type: none"> • MAS shares were removed from the official list of Bursa Securities on 31 December 2014, making the delisting complete following the successful completion of the SCR
<p>Conditional funding of up to RM6.0 billion and a reduction of net gearing</p>	<ul style="list-style-type: none"> • The first phase of conditional investment funding amounting to RM2.0 billion is targeted for disbursement by the end of December 2014 • This first tranche is for the repayment to MAS minority shareholders under the SCR, as well as working capital and restructuring expenditure • Discussions initiated with several parties on measures to improve the net gearing of MAS 	<ul style="list-style-type: none"> • Of the RM2.0 billion first phase conditional investment funding, RM1.38 billion was disbursed for payment to shareholders for the delisting of MAS pursuant to the SCR exercise • The remainder will be disbursed based on MAS cashflow requirements and conditions set by Khazanah • Discussions on terms of a proposed debt-for-equity swap with several parties are ongoing, with broad agreement on key terms targeted by the end of Q1 2015 and execution of definitive agreements in Q2 2015

B. Operating Business Model & Operational Transformation		
Reset operating business model	<ul style="list-style-type: none"> • On-going development of a new business model, reflecting the following: <ol style="list-style-type: none"> i. Network that is principally regionally-focused ii. Focus on routes where MAS can win by rebuilding its Kuala Lumpur hub iii. Reviewed incremental and replacement fleet requirements for 2017 and beyond iv. Products and services offering befitting targeted customer segments v. Structural cost reduction based on industry benchmarked work practices and standards vi. Significant transformation initiatives to strengthen ancillary revenue for NewCo 	<ul style="list-style-type: none"> • Based on further refinement of the NewCo business plan, aggregate capacity rationalisation by more than 10 % in 2015 can be expected as the airline focuses on more profitable domestic and regional routes; subsequently, NewCo aims to grow capacity by a compounded annual growth rate of more than five percent per annum over the 2015-2020 period • NewCo plans to grow domestic and ASEAN route capacity by 6-8% per annum and Asia-Pacific by 5%, to build its Kuala Lumpur hub connectivity, while reviewing its European and Middle Eastern routes to focus on network contribution and profitability • The NewCo business plan is also being designed to realign fleet to network requirements • In addition, operational transformation initiatives would contribute towards a material improvement in the operational performance of the group • NewCo's business plan is also being designed to realign fleet to network requirements. • Contingency plans have been put in place as MAS operationally transitions to NewCo by 1 July 2015
Consolidate headquarters and operations from Subang to KLIA	<ul style="list-style-type: none"> • KLIA Migration Committee set up at MAS to oversee the overall consolidation of operations at KLIA • Suitable plots of land at KLIA identified to develop the NewCo's HQ 	<ul style="list-style-type: none"> • Migration of staff from Subang to the Support Facility Building at KLIA is on track to begin in May 2015. This will include the migration of at least 1,300 staff from Subang to KLIA in stages • Renovation work at the Support Facility

	<ul style="list-style-type: none"> • Renovation started at the Support Facility Building • Planning commenced for renovation of engineering hangars at KLIA 	Building at KLIA is ongoing, with overall progress at approximately 40%
Strengthening of the assurance, integrity and safety functions	<ul style="list-style-type: none"> • The Terms of Reference of the Governance and Ethics Committee (“GEC”) formulated • The GEC is intended to facilitate the strengthening of key control and operational systems. • The GEC is a sub-committee of the Board of Directors, with members comprising independent non-executive directors. It will have a finite life of between 3-5 years 	<ul style="list-style-type: none"> • Governance and Ethics Committee (“GEC”) formed in December 2014 • Among the first key tasks of the GEC is to conduct an independent corporate governance review • MAS will voluntarily adopt the Enhanced International Air Transport Association (“IATA”) Operational Safety Audit in March 2015
Review and, where appropriate, renegotiate supply contracts	<ul style="list-style-type: none"> • A comprehensive review of all contracts initiated • Contracts are categorised for novation, renegotiation or termination. The priority is to review contracts that provide significant opportunity for cost reduction and efficiency gains • Revised guidelines for entering into new contracts and contract renewals put in place 	<ul style="list-style-type: none"> • More than 4,000 contracts have been identified • The process to novate contracts that meet market-based requirements of NewCo commenced in end-February • Renegotiation of selected contracts has also commenced • Settlement Agreement between MAS and BAC concluded on 27 February 2015, pending the outcome of negotiations on a New Catering Agreement
C. Leadership and Human Capital		
Strengthen leadership	<ul style="list-style-type: none"> • Progress in global search for leadership talent for NewCo • The search encompassed strengthening leadership across the organisation’s governance structure, including the MAS Board, CEO, senior management, and other key positions 	<ul style="list-style-type: none"> • Christoph Mueller announced as NewCo CEO-designate on 5 December 2014. He assumed the role on 1 March 2015 • Mr Mueller and Celcom Axiata Berhad CEO Dato’ Seri Mohammed Shazalli Ramly were appointed MAS Non-Executive Directors on 1 January 2015

		<ul style="list-style-type: none"> • Search for other key leadership positions, including direct reports to the CEO, are well underway and close to being finalised • Ahmad Jauhari Yahya continues to be Managing Director and Chief Executive Officer of MAS
Right-size the workforce to an estimated 14,000 employees at NewCo	<ul style="list-style-type: none"> • Talent assessment at MAS commenced, facilitated by an independent advisor, and beginning with the most senior 500 executives • Sourcing for new talent to address competency gaps in NewCo initiated • Rules of migration for employees formulated 	<ul style="list-style-type: none"> • Talent assessment is complete for the entire MAS workforce as at 2 February 2015 • The talent assessment process was conducted in a manner that was independent, fair, objective and transparent • Multiple data points were considered, including: <ul style="list-style-type: none"> • Past performance • Experience and qualification • Behavioral traits • Disciplinary records • Functional competencies and • Aspiration to join NewCo • The process to identify a pool of staff that meet NewCo requirements is in progress • A separation scheme is also being developed, guided by principles that include recognition of the cessation of business, fairness to all parties, compliance to legal requirements, and financial constraints • Reduction in workforce numbers is expected to be conducted in stages, in tandem with operational transformation initiatives and readiness
Strengthen industrial relations and internal alignment	<ul style="list-style-type: none"> • 29 on-the-ground (“turun padang”) sessions with employees held by MAS Board Restructuring Committee members • 171 cascade sessions held by MAS management, reaching across all divisions • Governance structure and mechanisms set up to 	<ul style="list-style-type: none"> • The first ECP meeting was held on 8 December 2014. The meeting was attended by all unions, employee associations and representatives from non-unionised staff (for example, secretarial and security) • The attendees were briefed about the ECP’s

	<p>synchronise efforts between the Restructuring Management Office (“RMO”) and “business-as-usual” operations</p> <ul style="list-style-type: none"> • Terms of Reference for the Employee Consultative Panel (“ECP”) formulated and approved. The panel is intended to help boost alignment between employees, unions and management, • The ECP is chaired by a non-independent non-executive Director of MAS, Mohd Izani Ashari and comprises the CRO, secretariat, one representative from each recognised union and employee association, one representative from each non-unionised employee group (security & secretarial), and a representative from MAS Human Resources 	<p>terms of reference, and updated on the MAS Recovery Plan, leadership announcements and talent assessment approach. Feedback was received and where feasible addressed accordingly</p> <ul style="list-style-type: none"> • The second ECP meeting was held on 17 February 2015, during which attendees discussed the CDC, talent review programme, separation scheme, NewCo employment and transition management • 33 <i>turun padang</i> sessions with MAS employees held since 14 August 2014. Employees are also constantly engaged and updated on the progress of the restructuring via various other outreach channels
Reskilling, job creation and redeployment	<ul style="list-style-type: none"> • The overall framework for the Corporate Development Centre (“CDC”) (previously named the Corporate Reskilling Centre) is developed, with a targeted launch date of 1 April 2015 • Besides the service providers announced on 29 August 2014, others come forward to offer services in the areas of reskilling, outplacement and redeployment 	<ul style="list-style-type: none"> • The CDC is currently putting in place the necessary structures in collaboration with various partners and stakeholders that will enable it to be operational by 1 April 2015 • The CDC’s leadership consists of Chairman Tan Sri Bashir Ahmad Abdul Majid, CEO Shahryn Azmi, and Non-Executive Director and Advisor Dato’ Boonler Somchit, all appointed on 1 January 2015
D. Regulatory & Enabling Environment		
Appropriate Government support on key initiatives	<ul style="list-style-type: none"> • Regular engagements with various ministries and agencies to facilitate the restructuring • The Malaysian Airline System Berhad (Administration) Bill 2014 is passed by the Dewan Rakyat on 27 November 2014 	<ul style="list-style-type: none"> • Malaysian Airline System Berhad (Administration) Act 2015 came into force on 20 Feb 2015, after being passed by Parliament in 2014 • Engagement continues with relevant airline authorities to ensure seamless transition to

		NewCo, including Department of Civil Aviation, International Air Transport Association and International Civil Aviation Organisation
Continuous communications and stakeholder engagement	<ul style="list-style-type: none"> • Engagements conducted at various intensity and depth with external and internal stakeholder groups • Completion of a commissioned public sentiment survey to gauge public views and opinions of MAS and its restructuring • The survey found broad support among Malaysians for MAS as the national flag carrier. Overall, the public wants the issues at MAS to be resolved and to see the airline become profitable once more • First MRP Quarterly Update issued 	<ul style="list-style-type: none"> • Engagements continue with external and internal stakeholder groups • Second MRP Quarterly Progress Update issued

APPENDIX II

The 12-point MAS Recovery Plan

(Source: *Rebuilding A National Icon – The MAS Recovery Plan*, pg 23; 29 August 2014)

12 key elements in four categories

