

MEDIA STATEMENT

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Khazanah announces CEO-designate of MAS NewCo and other leadership appointments under the MAS Recovery Plan

- **Christoph R. Mueller to be nominated to the Board of Malaysian Airline System Berhad (“MAS”) as Non-Executive Director, and appointed as Chief Executive Officer-designate of the new company, Malaysia Airlines Berhad (“MAS NewCo”)**
- **Dato’ Sri Mohammed Shazalli Ramly to be nominated to the MAS Board as Non-Executive Director**
- **Tan Sri Bashir Ahmad Abdul Majid appointed as Chairman of the Corporate Reskilling Centre (“CRC”)**
- **Shahryn Azmi appointed as Chief Executive Officer of the CRC**
- **Dato’ Boonler Somchit appointed as Non-Executive Director and Advisor to the CRC**

Khazanah Nasional Berhad (“Khazanah”) today announced the Chief Executive Officer (“CEO”)-designate of the new company, Malaysia Airlines Berhad (“MAS NewCo”), and other leadership appointments under the on-going restructuring of Malaysian Airline System Berhad (“MAS”), which continues at a steady momentum.

The appointments are key initiatives under the 12-point MAS Recovery Plan (“MRP”), which calls for the strengthening of the airline’s leadership as it transitions to MAS NewCo over the coming months to 1 July 2015.

As previously stated, Khazanah has conducted an extensive global leadership search from among suitable and available talent, with a rigorous assessment of numerous Malaysian and foreign candidates from within and outside of the aviation industry.

The appointments announced today were deliberated and resolved at the meeting of the Khazanah Board of Directors chaired by the Prime Minister of Malaysia Dato’ Sri Mohd Najib Tun Abdul Razak on 4 December 2014.

Dato’ Sri Mohd Najib said: “The appointments announced today are part of efforts by the Government and Khazanah to lay strong foundations for the future success of our national carrier. It is imperative that we have the best available talent with the expertise and experience to help drive the progress of the restructuring effort further forward, lead the airline to profitability, and groom a Malaysian successor to assume the leadership of the airline in the future. The Government is committed to seeing through the complete overhaul of MAS to its successful conclusion.”

The following are details on the appointments announced today:

1. MAS and MAS NewCo

Christoph R. Mueller will be nominated to the Board of MAS as Non-Executive Director, and appointed as CEO-designate of MAS NewCo, effective 1 January 2015. Mr. Mueller is currently CEO of Aer Lingus Plc (“Aer Lingus”), the national airline of Ireland. His contract as CEO with Aer Lingus ends on 1 May 2015. Discussions are on-going for Mr. Mueller to assume the post of MAS NewCo CEO at a date prior to 1 May 2015, but no earlier than 1 March 2015. As previously announced, MAS NewCo is planned to commence operations on 1 July 2015.

Dato’ Sri Mohammed Shazalli Ramly will also be nominated to the MAS Board as Non-Executive Director, effective 1 January 2015. At the same time, Dato’ Sri Mohammed Shazalli will remain as CEO and Director of Celcom Axiata Berhad.

A German citizen, Mr. Mueller has been CEO of Aer Lingus since 2009. He brings more than 25 years of relevant experience in the aviation, logistics and tourism sectors to MAS. Overall, he has approximately ten years as a chief executive in divisional and group roles in the airlines sector, as well as extensive board room experience, including in the travel sector.

Mr. Mueller has a strong record of transformation and turnarounds in the aviation industry. Among his key accomplishments, Mr. Mueller has demonstrated particular strength in strategic and financial planning, as well as structural repositioning of companies in difficulties. This includes implementing change programmes and adopting new technology, distribution and retail solutions decisively.

At Aer Lingus, in the last four-and-half years, Mr. Mueller turned around the loss-making airline within a year, in a declining Irish market and tepid European market conditions. Aer Lingus’ sustainable profitability and cash generation are built on a new strategy and business model that has enabled the 78-year-old carrier to compete in a difficult market environment with both traditional legacy airlines and low-cost carriers. It has also developed Dublin to become one of the leading hubs for North Atlantic long-haul traffic.

Under his watch, Aer Lingus has overall, ventured into new markets and business models, and successfully repositioned itself from primarily a business-to-business model to a business-to-consumer model with a 90% online distribution.

His track record of corporate turnarounds began from his time at Lufthansa, where he was Senior Vice President for network management and corporate planning, during the airline’s major turnaround between 1994 and 1999. In 1999, he moved on to Sabena S.A., which was part of the Swissair Group, where he was the Chief Operating Officer before becoming CEO of the Sabena Group. Mr. Mueller developed a series of plans to fit in with the Belgium Government’s shareholding including a major cost-cutting programme.

Mr. Mueller then moved on to become Chairman of Delta Air Transport (“DAT”). He then orchestrated the sale of DAT to private investors who renamed it as Brussels Airlines, which today operates as Belgium’s national flag carrier.

He joined DHL Express in 2002 and was appointed Chief Financial Officer soon after it was acquired by Deutsche Post, heading a global finance organisation across 200 countries.

As of 2006, Mr. Mueller spent two years at global travel leisure group TUI AG, a DAX 30 company, as a member of the Executive Board responsible for financial controlling, aviation business, central purchasing and new market development. After the merger of the tourism activities of TUI AG with First Choice Holidays Plc into TUI Travel Plc, a FTSE 100 company, he took the role of Executive Director, Aviation, responsible for a fleet of 160 aircraft operated by seven independent airlines in Europe and Morocco.

The nomination of Christoph Mueller and Dato’ Sri Mohammed Shazalli to the MAS Board of Directors follows the appointment of Mohd Izani Ashari as Non-Independent Non-Executive Director on 12 September 2014.

The MAS Board, effective 1 January 2015, will comprise:

- Tan Sri Md Nor Yusof (Non-Independent Non-Executive Chairman)
- Ahmad Jauhari Yahya (Managing Director/Group Chief Executive Officer)
- Christoph R. Mueller (Non-Executive Director/CEO-designate of MAS NewCo)
- David Lau Nai Pek (Senior Independent Non-Executive Director)
- Tan Sri Dr. Mohd Irwan Serigar Abdullah (Non-Independent Non-Executive Director)
- Mohd Shahazwan Mohd Harris (Non-Independent Non-Executive Director)
- Tan Sri Krishnan Tan Boon Seng (Independent Non-Executive Director)
- Tan Sri Datuk Amar Haji Mohamad Morshidi Abdul Ghani (Independent Non-Executive Director)
- Tan Sri Sukarti Wakiman (Independent Non-Executive Director)
- Dr. Mohamadon Abdullah (Independent Non-Executive Director)
- Mohd Izani Ashari (Non-Independent Non-Executive Director)
- Dato’ Sri Mohammed Shazalli Ramly (Non-Executive Director)
- Dato’ Fauziah Yaacob (Alternate Director to Tan Sri Dr. Mohd Irwan Serigar Abdullah / Non-Independent Non-Executive Director)

2. Corporate Reskilling Centre

As announced by Khazanah previously, the Corporate Reskilling Centre (“CRC”), together with the Outplacement Centre, is intended to collectively provide reskilling, job creation and redeployment opportunities for employees not migrating to MAS NewCo. As announced in the MRP progress update, the CRC is scheduled to be launched by 1 April 2015.

Tan Sri Bashir Ahmad Abdul Majid will be appointed as Chairman of the CRC, while **En. Shahryn Azmi** will be appointed as CEO, and **Dato' Boonler Somchit** as Non-Executive Director and Advisor, respectively. All the appointments will be effective 1 January 2015.

Tan Sri Bashir is currently Advisor at Malaysia Airports Holdings Berhad (“MAHB”) and will remain so, in parallel with his role as CRC Chairman. Prior to this, he was Managing Director of the airport operator for 11 years. In his extensive career in aviation, Tan Sri Bashir has also held various senior positions in MAS, and was also the Aviation Advisor to the Ministry of Transport, prior to joining MAHB.

En. Shahryn is currently Asia Director and Partner at Jack Rouse Associates, a global leader in exhibition and attraction design, and has held the position since 2009. Previously, he was Executive Director of YKSM Centre for Leadership Development Sdn Bhd for more than three years. The centre is an organisational consulting group with particular focus on human capital development, and is one of the consulting arms of Yayasan Kajian dan Strategi Malaysia. En. Shahryn also has prior experience in specialist support for companies in transition, such as organisations that have just experienced a merger or acquisition, leadership change, or deregulation.

Dato' Boonler was CEO of Penang Skills Development Centre for close to 25 years until February 2014. Prior to that, he held various positions in administration, including at several tertiary institutions of higher learning. He has also sat on various panels and committees related to, among others, human resource, technology, entrepreneurship and industry development.

Tan Sri Dato' Azman Hj. Mokhtar, Managing Director of Khazanah, said: “The Khazanah Board in its deliberations took into consideration the critical nature of the MAS restructuring, which requires absolutely the best aviation management expertise, and in particular, those with a strong track record of turning around national flag carriers. An extensive global search was undertaken that covered both international and local Malaysian talent. Christoph is the best candidate, and he has two equally important tasks: to lead the turnaround of our national carrier and to build local succession.

“Dato' Sri Shazalli's appointment to the MAS Board as a Non-Executive Director will also bring extensive experience and expertise in many areas, including marketing, branding and corporate turnarounds. Further, the CRC is an important plank in the 12-point MAS Recovery Plan and the combined experience and expertise of Tan Sri Bashir, En. Shahryn and Dato' Boonler will ensure that the CRC will be off to a good start, insya-Allah.”

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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.sharifs@khazanah.com.my.



About 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, banking, healthcare, airport management, infrastructure, leisure & tourism, property development, broadcasting, investment holding, and 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