



JOINT MEDIA RELEASE

MAS Aerospace Engineering and Alenia Aeronavali to set up JV company for ATR maintenance

Farnborough (17 July 2008): MAS Aerospace Engineering (MAE), a wholly owned subsidiary of Malaysian Airline System Berhad (MAS) and the Italian Alenia Aeronavali, a Finmeccanica Company controlled by Alenia Aeronautica, today signed a Memorandum of Agreement (MoA) towards the establishment of a Joint Venture in Malaysia.

The MoA for this Joint Venture, where MAE will be the majority shareholder and fully supported by Avions de Transport Regional (ATR), allows both signatory parties to create a comprehensive aircraft Maintenance and Repair Overhaul (MRO) company.

MAE Managing Director, Mr Mohd Roslan Ismail, and Alenia Aeronavali Chief Executive Officer, Mr Gennaro Di Capua signed the MoA today at the Farnborough Air Show, United Kingdom, witnessed by Malaysia Airlines' Executive Director/ Chief Financial Officer, Tengku Dato' Azmil Zahrudin and Filippo Bagnato, Finmeccanica EVP Technical, Industrial and Commercial Development.

"This is a significant occasion for MAE, as Aeronavali has more than 50 years of experience in MRO jobs and is an experienced ATR service provider. We can leverage on our collective expertise to continue to offer a high level of safe and secure flight operations. We can also market these services to other airlines at highly competitive costs," Roslan said.

Di Capua said: "This new venture will combine the efficiency and effectiveness of an experienced airline like MAS and the know-how of the Finmeccanica Group's companies in the MRO sector. We are sure that the new joint venture will produce outstanding results in the Malaysian and the regional MRO markets".

The proposed MRO will support the future fleet of 15 ATR aircraft that will join two MAS subsidiaries, namely Firefly and MASwings, as well as other potential operators in the region during its first stage of operations. In the second stage, the JV will develop additional business opportunity in the cargo conversions and specialized activities.

About Alenia Aeronavali

Alenia Aeronautica, a Finmeccanica Company, is the largest Italian aeronautic player which operates world-wide in the commercial and military aviation, unmanned aerial vehicles and aerostructures. Alenia Aeronautica also coordinates the activities of Alenia Aermacchi and Alenia Aeronavali - wholly owned companies – respectively active in the design and manufacturing of military trainer aircraft and in the overhaul, maintenance and modification of military and civil aircraft.

Alenia Aeronavali is active in the field of the maintenance and modification of military and commercial airplanes; specifically, in the cargo modification, it works in the maritime patrol version of the ATR and has developed the freighter conversion of the ATR 42/72, along with its mother company Alenia Aeronautica, which, among the other, is deeply involved in the manufacturing of the fuselage of the aircraft within the Gie ATR.

So far, in addition to performance by Alenia Aeronavali of the continuous maintenance support to ATR operators and Gie ATR, 8 ATR's have been modified with the installation of a Large Cargo Door.

With its joint ventures ATR and SuperJet International, Alenia Aeronautica is the world leader in the regional turboprop market and a top player in the regional jet sector. Over 2007 Alenia Aeronautica reported revenues of 2,306 millions Euro, backlog for 8,248 millions Euro and orders for 3,104. The total workforce is 13.301.

About MAS Aerospace Engineering

MAE started as Malaysia Airlines' Engineering and Maintenance division in 1972 and has over 35 years of experience in the Maintenance Repair Overhaul (MRO) business.

With advanced heavy maintenance facilities and 6 fully equipped hangars in KL International Airport and its headoffice in Subang, it manages Malaysia Airlines' aircraft fleet that includes B747-400, B777-200, A330-200/300, B737-400. It also provides MRO support for the Fokker 50 and Twin Otter aircraft in its subsidiary companies, MASwings and Firefly.

Among the many services provided are A,B,C,D checks on F50, B737 Classic and Next-Generation, B747 series, A330 and B777; engineering services including quality assurance, technical services, engineering planning, production planning, aircraft projects, technical training and major aircraft modification.

MAE is a certified Approved Maintenance Organization by the Department of Civil Aviation (Malaysia), Directorate General of Civil Aviation (Indonesia), European Aviation Safety Agency (EASA), and the Federal Aviation Administration (FAA), among others.

These skilled competencies which are certified by aviation authorities, not only raise Malaysia Airlines' visibility as a premier MRO that offers an array of integrated specialised engineering services but also attract the influx of foreign investment and the creation of specialised and highly aviation workforce among Malaysians.

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