

Media Release

Malaysia Airlines invests RM320 million in ERP to drive business efficiency

Subang (12th July 2010): Malaysia Airlines (MAS) announced that it will invest more than RM320 million in a company-wide Enterprise Resource Planning (ERP) solution to streamline operations and maximise business efficiencies.

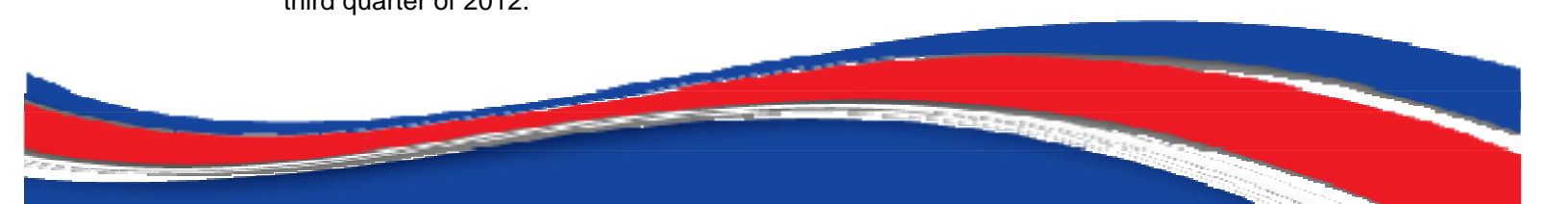
The national carrier has selected HCL AXON and SAP as partners to integrate its finance procurement and human resource functions as well as Engineering & Maintenance (E&M) operations at the KL International Airport and Subang Airport over 2 phases, from 2010-2012.

Malaysia Airlines Managing Director/CEO, Tengku Dato' Azmil Zahrudin said, "The ERP project will transform our business processes. The centralizing of all data and the ability to obtain real-time information will enable greater cost efficiencies, improve decision making and employee productivity as well as optimize our cash management."

The global project involves replacing legacy systems in the areas of finance and procurement in all MAS offices worldwide. This phase is expected to be completed by the second quarter of 2011.

The total benefits expected from the project is estimated at over RM120 million per annum.

For its E&M operations in KLIA and Subang, MAS will be replacing many existing stand-alone legacy systems with SAP industry-specific solutions and iMRO v4.0, which provides additional choices and flexibility. The system will manage all MRO functions including maintenance planning, engineering operations, quality-control and supply chain. The scope will cover the MAS fleet, which includes 115 aircraft, 319 engines, and some 6 million parts. SAP's integrated solution will serve about 3000 users including aircraft mechanics. This phase is planned to be completed by the third quarter of 2012.



“E&M is expected to be a major revenue generator for MAS. The simplification and streamlining of processes, better control of parts inventory, and the automation of systems will drive E&M’s efficiency, enabling it to contribute to MAS’ P&L,” Azmil also said.

Systems integrator, HCL AXON’s Global Head of Travel and Transportation, Mr Patrick Grubbs said, “As key SAP partner in Malaysia, we are excited to embark on this benefits-led project with MAS. With the implementation of the iMRO solution developed by our local team and endorsed by SAP, we look forward to supporting Malaysia Airlines as they move forward with their Business Transformation Plan.”

HCL AXON will also provide post go-live support services.

“We are proud to add Malaysia Airlines to our family of globally admired customers. The partnership with MAS further shows that the best run businesses run SAP”, said Krish Datta, President of SAP South East Asia.

“Our experience with industry leading airlines around the world will allow us to effectively help MAS establish a strong technology foundation, drive towards planned business transformation, accommodate growth and adapt to market changes,” he added.

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About Malaysia Airlines

Malaysia Airlines (www.malaysiaairlines.com), the national carrier of Malaysia, connects some 40,000 passengers daily to some 100 destinations worldwide across 6 continents. The distinctive Malaysia Airlines brand is an extension of the special culture of warmth and friendliness unique to Malaysians. This inimitable Malaysian sense of graciousness is branded as “Malaysian Hospitality” and symbolized by the acronym MH which is also the airline’s flight code.

For further information

Malaysia Airlines

Su Wong

Email: suwong@malaysiaairlines.com

Phone: +60172379355

