

MAS cancels press conference amid talk of huge losses

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By Lee Wei Lian

KUALA LUMPUR, Aug 23 — Malaysia Airlines (MAS) has cancelled its press conference scheduled for 3.30pm today amid expectations that it will report hefty losses for the second quarter of this year.

When contacted, a MAS spokesman said that the press conference was cancelled due to "unforeseen circumstances".

Analysts contacted by The Malaysian Insider said however that the analyst briefing scheduled for this evening had not been canceled.

The analysts also estimated the national carrier's second quarter losses at between RM450 million to RM550 million.

The Malaysian Insider reported today that MAS was considering delaying its membership with global airline group Oneworld and deliveries of the super airliner Airbus A380 as its new management focuses on cutting losses, which spiked in the second quarter of 2011.

Sources said that MAS will announce a bigger loss today for this year's second quarter, traditionally its weakest business period, from the net loss of RM242.3 million in the first quarter ended March 31.

It posted a net loss of RM534.7 million for the second quarter of 2010.

The national airline has been flying through turbulent skies the last in the past decade after the government bought back the airline from former corporate high-flyer Tan Sri Tajudin Ramli at RM8 per share or about double the market price at the time.

The airline was then saddled with a debt reported to be RM9.5 billion.

Following the takeover by the government, the airline had its books cleaned up in 2002 under the wide asset unbundling (WAU) exercise that was engineered by the BinaFikir consultancy.

The state-owned airline had two rights issues since the WAU, raking in RM1.6 billion in 2007 and RM2.67 billion in 2010 to fund its operations and fleet purchases.

It was also lacklustre financially, shocking the market with a huge loss in the last quarter even while rivals such as Singapore Airlines reported profits, although reduced.

The national carrier also suffered the indignity of having its market capitalisation surpassed by younger upstart AirAsia after its share price fell to record lows.

State asset manager Khazanah Nasional Berhad, swapped 20.5 per cent of MAS stock for a 10 per cent stake in Asia's biggest budget carrier AirAsia on August 9. The swap enabled AirAsia bosses Tan Sri Tony Fernandes and his partner Datuk Seri Kamaruddin Meranun to sit on the MAS board and help turn around the loss-making flag carrier.

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