



FOR IMMEDIATE RELEASE

MMC ESTABLISHES FOOTPRINT IN WATER INDUSTRY

Kuala Lumpur, Wednesday, 15 October 2008: MMC today received shareholders' approval to acquire water concession company, Aliran Ihsan Resources Bhd (AIRB), thus establishing its footprint in the water industry, in line with its vision to become a global utilities and infrastructure group. On completion, the acquisition will result in MMC owning more than 50% equity interest in AIRB. MMC intends to maintain the listing status of AIRB on the stock exchange.

The acquisition will be a strategic fit as it allows MMC to leverage on AIRB's expertise to grow its utilities business both locally and internationally. The acquisition complements MMC Group's global power generation business, particularly in the MENA (Middle East and North Africa) region, where power project bidders are invariably required to provide water solution proposals in their bids. MMC CEO Malaysia Hasni Harun said, "The acquisition will enable us to be an integrated water and power producer in the global arena and allow us to compete more effectively in the fast growing MENA market."

MMC Group is actively growing its international power and water businesses. MMC, via 51%-owned subsidiary Malakoff, has a concession in the 900 MW and 1,030,000 m³/day Shuaibah independent water and power project (IWPP) in Saudi Arabia and a 200,000 m³/day seawater desalination plant in Algeria. The Group also has equity interests in the Central Electricity Generation Company in Jordan and the Dhofar Power Company in Oman. In July MMC won exclusive rights to undertake a study to build a coal-fired power plant of up to 1,000 MW in Ajman, UAE.

On the domestic front, this acquisition will give MMC a foothold in the robust water industry, and the ability to further capitalise on the opportunities within Iskandar Malaysia. AIRB is the dominant water concessionaire in Johor with a portfolio of 16 water treatment plants supplying approximately 70% of the State's water needs.

Hasni added, "This acquisition will provide a strategic platform and the necessary capacity, expertise and experience for the Group to expand its water business not only to other states within Malaysia but also to complement its international power and water businesses."

About MMC

MMC Corporation Bhd (MMC) is a utilities and infrastructure group with interests in Transport & Logistics, Energy & Utilities, and Engineering & Construction.

Within Malaysia, MMC's key businesses include the Port of Tanjung Pelepas (Malaysia's largest container terminal), Johor Port (Malaysia's leading multi-purpose port), Malakoff (Malaysia's largest independent power producer) and Gas Malaysia (Peninsular Malaysia's sole supplier of natural gas to the non-power sector). MMC is also undertaking the RM12.485 billion double tracking railway project between Ipoh and Padang Besar, Malaysia's largest infrastructure project. Through Zelan, MMC has interests in IJM, one of Malaysia's premier construction companies, and Zelan Construction, a specialist contractor for power plants.

On the international front, MMC International is focusing on the utilities and logistics sectors globally, particularly in the Middle East. MMC is the joint master developer of the US\$30 billion Jazan Economic City in Saudi Arabia with the Saudi Binladin Group, and has an equity interest in the third container terminal project at Jeddah Port. MMC also has equity interests in the 900

MW and 1,030,000 m³/day Shuaibah independent water and power plant project in Saudi Arabia, a 200,000 m³/day water desalination plant in Algeria, the Central Electricity Generation Company in Jordan and the Dhofar Power Company in Oman.

About AIRB

Aliran Ihsan Resources Berhad (AIRB) is a Johor-based water treatment plant operator with a portfolio of 16 water treatment plants and a combined capacity of 1,086 million litres per day (MLD) supplying approximately 70% of the State's water needs. AIRB provides a wide spectrum of water-related services including operations and maintenance to rehabilitation and restoration works.

AIRB owns water-supply concessions in Johor through 49%-owned Equiventures Sdn Bhd and wholly-owned Southern Water Corporation Sdn Bhd. Equiventures operates two water treatment plants with a capacity of 636 MLD and supplies the Johor Bahru area. Southern Water operates 14 water treatment plants with a capacity of 450.7 MLD and supplies the districts of Muar, Batu Pahat, Segamat and Kluang.

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