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## MMC TO CONTINUE FOCUS ON UTILITIES AND LOGISTICS

### **Utilities and Logistics Divisions Contributed 92% to Group's RM1 billion Profit**

Kuala Lumpur, Wednesday, 21 May 2008 – MMC Corporation Berhad today confirmed its strategy to continue focusing on its core utilities and logistics businesses. At a press conference after the company's AGM, MMC's CEO International Feizal Ali said, "The Group's strategy of acquiring earnings-enhancing assets in the utilities and logistics sectors over the years has proven to be effective." Last year the utilities division contributed 62% of the Group's profit before tax ("PBT") and the logistics division contributed 30% of the Group's PBT. MMC's smallest division, engineering & construction, contributed 5% of the Group's PBT.

MMC recorded a PBT of RM1.018 billion for 2007, an increase of 75% over its PBT of RM581 million in 2006. Net profit and earnings per share grew by 42% from RM390 million to RM552 million and from 12.8 sen to 18.1 sen respectively. Revenue doubled from RM2.84 billion to RM5.72 billion. "This is a landmark year for MMC as our profit has breached the RM1 billion mark", said Feizal Ali.

MMC's stronger results were driven by the consolidation of Malakoff Corporation Berhad's ("Malakoff") results for eight months, the consolidation of Johor Port Berhad's full-year results (compared to nine months in the previous year), better results from existing operations and gains from the partial sale of the Company's investment in Sime Darby.

On MMC's prospects, MMC CEO Malaysia Hasni Harun said, "MMC expects to record a better performance this year from the consolidation of the full-year results of Malakoff, which will include contribution from all three units of its Tanjung Bin power plant and contribution from its power assets in Oman and Jordan, as well as contribution from the double tracking railway project."

MMC's ports are also expected to do well, and the earnings of the Port of Tanjung Pelepas ("PTP") are expected to be driven by rising container throughput, while Johor Port's growth will come on the back of its enhanced logistics capability and integrated transportation and distribution network. MMC also has a landbank measuring 2,255 acres at Tanjung Bin, located opposite PTP, which will be developed into a Maritime Centre.

MMC has also made significant progress overseas, via MMC International. The Group is expanding its presence in Saudi Arabia through the Jazan Economic City project and the various projects within that development, such as the power plant, aluminium smelter and port projects, and a new container terminal at Jeddah Port, which is the gateway for 75% of the container throughput of Saudi Arabia. These overseas projects will provide a sustainable income stream for the Group in the long term

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## **About MMC**

MMC Corporation Bhd (MMC) is a utilities and infrastructure group with interests in Transport & Logistics, Energy & Utilities, and Engineering & Construction. The group'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 (West Malaysia's sole supplier of natural gas to the non-power sector). MMC is also undertaking the RM12.485 billion double tracking railway project, 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.

**MMC International** is focusing on the utilities and logistics sectors and is actively bidding for various projects 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. MMC International has also invested in a new container terminal at Jeddah Islamic Port, which will comprise three berths with a capacity of 1.5 million TEU. MMC also has interests in the Shuaibah independent water and power plant project in Saudi Arabia, a desalination plant in Algeria, the Central Electricity Generation Company in Jordan and the Dhofar Power Company in Oman.

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