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**MMC TO ACQUIRE AIRPORT AND ALIRAN IHSAN IN RM2.2 BILLION  
DEAL TO REALISE GLOBAL AMBITIONS FOR UTILITIES AND  
INFRASTRUCTURE BUSINESSES**

**Kuala Lumpur, Monday, 4 August 2008** – MMC Corporation Bhd (MMC) announced today its intention to acquire the entire stake in Senai Airport Terminal Services Sdn Bhd (SATS) and make a voluntary general offer for Aliran Ihsan Resources Bhd (AIR) in a RM2.2 billion deal to accelerate the Group's international expansion drive in the logistics and utilities businesses. MMC will acquire SATS for RM1.95 billion in an all-share deal and AIR for up to RM240 million in cash. MMC intends to maintain the listing status of AIR following the acquisition.

MMC's CEO Malaysia Hasni Harun said, "These acquisitions are a strategic fit for MMC as they provide us with a competitive advantage in the utilities and infrastructure businesses." Hasni explained, "AIR will complement the 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. 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 these fast growing markets."

MMC Group is actively growing its international power and water business. The Group is currently involved in the 900 MW and 1,030,000 m<sup>3</sup>/day Shuaibah independent water and power project in Saudi Arabia and a 200,000 m<sup>3</sup>/day seawater desalination plant in Algeria. The Group also has interests in the Central Electricity Generation Company in Jordan and the Dhofar Power Company in Oman. Last month MMC International won exclusive rights to undertake a study to build a power plant in Ajman, UAE.

Explaining the rationale for the acquisition of SATS, Hasni said, “MMC already has interests in the Port of Tanjung Pelepas (PTP) and Johor Port (JPort) so acquiring SATS will be synergistic to our logistics business and enhance Malaysia’s status as a regional cargo and logistics hub. The addition of SATS will complete MMC’s logistics portfolio covering air, sea and land transportation businesses.”

PTP rose to become Malaysia’s largest container terminal within three years of commencing operations and is currently the 17th busiest port in the world. The port currently has 10 linear berths, and is targeted to have 14 berths by 2011, which will enable the port to handle a throughput of 10 million twenty-foot equivalent units (TEU). Last year PTP and JPort handled a combined throughput of 6.5 million, making MMC the largest port operator in Malaysia.

“The acquisition of SATS will enable MMC to offer multimodal connectivity via southern Johor, a region that stands to benefit from the development of Iskandar Malaysia. With a comprehensive air, sea and land transportation system, we are optimistic that the region will become more attractive to international investors,” added Hasni.

SATS handled 1.6 million passengers in 2007 and expects robust growth attributable to increasing traffic driven by Iskandar Malaysia. SATS also owns 2,718 acres of freehold land in the surrounding area which will be developed into a Logistics City comprising commercial-hospitality amenities, an air logistics centre and a hi-tech park. Based on the development plan approved by the One Stop Centre, Majlis Perbandaran Kulai, the land has a gross development value of approximately RM9.5 billion. The project will commence next year and complete in 2019. The transformed Senai Airport will be a complete cargo and logistics hub providing a comprehensive range of aviation, cargo, logistics and passenger facilities.

Turning to the benefits to MMC's stakeholders, Hasni said, "The two acquisitions will provide a sustainable income stream and contribute positively to the future earnings of the Group."

## **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 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.

A wholly-owned subsidiary of MMC, MMC International is focusing on the utilities and logistics sectors globally 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 also has interests in the 900 MW and 1,030,000 m<sup>3</sup>/day Shuaibah independent water and power plant project in Saudi Arabia, a 200,000 m<sup>3</sup>/day water desalination plant in Algeria, the Central Electricity Generation Company in Jordan and the Dhofar Power Company in Oman.

### **About AIR**

Aliran Ihsan Resources Berhad (AIR) is a Johor-based water treatment plant operator with a portfolio of 16 water treatment plants supplying approximately 70% of the State's water needs. AIR provides a wide spectrum of water related services including operations and maintenance to rehabilitation and restoration works.

AIR 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 that supply the Johor Bahru area, while Southern Water operates 14 water treatment plants that supply the districts of Muar, Batu Pahat, Segamat and Kluang with a combined design capacity of 480 million litres per day (MLD).

### **About SATS**

Senai Airport Terminal Services (SATS) is an airport management company that manages, maintains, develops, and provides airport and aviation-related services at Senai Airport. SATS was awarded a 50-year concession period for Senai Airport in 2003 and since then has invested in a RM350 million 25-year 'Airport Master Plan'. The first phase saw the implementation of a series of improvements to the airport's capacity to meet the increasing cargo and passenger needs. The airport terminal building was upgraded and covered car parks and a cargo terminal were added.

Currently in progress is the extension of the existing runway from 3,354 metres to 3,800 metres to accommodate fully-loaded long haul cargo flights. Other progressive extension and renovation works include the passenger terminal, parking apron and the construction of a parallel taxiway system. SATS' future activities will include developing and managing a 'Logistics City' with a hi-tech logistics park in the vicinity of the airport.

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