



FOR IMMEDIATE RELEASE

MMC – GAMUDA WIN RM12.485 BILLION DOUBLE TRACKING PROJECT

Kuala Lumpur, 14 December 2007 – MMC Corporation Berhad (MMC) announced today that the MMC - Gamuda JV has received a letter of award from the Government to implement the northern section of the double tracking railway project on a design and build basis for a lump sum price of RM12.485 billion. The project will involve the design and construction of an electrified double tracking railway line between Ipoh and Padang Besar measuring 329 km. The project will be implemented as a construction contract with progressive payments, and not based on the private finance initiative scheme, as envisaged earlier.

MMC Group Chief Executive, Feizal Ali said that “We are pleased that the Government has decided to implement this project and we remain fully committed to deliver this very important project to the nation. The implementation of this project will transform the country’s railway services and bring them up to par with the quality of our roads, ports and airports.”

The implementation of this project will make rail travel a more attractive option, and reduce the country’s over-dependence on its road system. Currently, rail travel accounts for only 3% of the country’s total transportation, compared to approximately 30% in more developed countries. Almost 90% of the country’s total transportation currently goes through its more developed road system. This over-reliance has resulted in severe traffic congestion, pollution, a high accident rate, and the Government footing a massive fuel subsidy resulting from high fuel consumption. The double tracked railway system will cut traveling time from KL to Butterworth from 9 hours currently to 3 hours, with services available every hour, transforming travel habits

and benefiting lower income travelers. The system will also expedite the movement of freight cargo in the country.

The double tracking project complements the Northern Corridor Economic Region (NCER) initiative, and supports NCER's vision to become a logistics hub. It will have a significant positive socio-economic impact to the country, particularly to the economies of Perak, Penang, Kedah and Perlis, benefit businesses in a multitude of industries and open up new corridors for development. This project exemplifies the spirit of the Ninth Malaysia Plan which underscores the need for the development of quality infrastructure for the benefit of the people.

The project is envisaged to have a significant effect to the economy with the creation of a large number of jobs during the five-year construction period, and involve 265 civil engineering contracts, 25 contracts for the supply of construction material and more than 1,300 qualified Bumiputra contractors.

Once completed, the new railway line between Ipoh and Padang Besar will complement the existing double tracked railway line between Rawang and Seremban and the railway line between Ipoh and Rawang, which is nearing completion. In the future, a completely double tracked Padang Besar to Johor Bharu railway line is envisioned to form part of the Trans-Asia railway line spanning from Singapore to Kunming, China.

Feizal Ali said "This project will provide MMC with a strong order book and a stable income stream for the next five years." He added, "MMC and Gamuda have delivered major projects in the recent past, such as the SMART project, and the latest award affirms the Government's confidence in us to deliver major infrastructure projects. We feel privileged to be entrusted with this responsibility and we are confident that we will implement the project according to the aspirations of the Government of Malaysia."

* * *

BACKGROUND INFORMATION

MMC Corporation Bhd (MMC) is a utilities and infrastructure group with interests in Transport & Logistics, Energy & Utilities, and Engineering & Construction. In Malaysia, 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 has also completed major engineering & construction projects, like the Stormwater Management and Road Tunnel (SMART) project, an innovative flood mitigation project for the city of Kuala Lumpur. Through Zelan, MMC has interests in IJM, one of Malaysia's premier construction companies, and Zelan Construction, a specialist contractor for power plants.

Internationally, MMC is the joint master developer of the US\$30 billion Jazan Economic City in Saudi Arabia, with the Saudi Binladin Group. MMC will also jointly develop and operate the third container terminal at Jeddah Port, Saudi Arabia. For more information, visit the company's web site at www.mmc.com.my.

Contact:

Azlan Shahrim

General Manager, Corporate Services

MMC Corporation Berhad

Phone: +603 91797666 ▪ Fax: +603 21454887 ▪ Email: azlan@mmc.com.my