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MMC'S EARNINGS REMAIN RESILIENT, RECORDS 34% GROWTH IN PBT

Kuala Lumpur, Wednesday, 26 November 2008: MMC Corporation Berhad (MMC) today announced a nine-month profit before tax (PBT) of RM898 million, 34% higher than its PBT of RM668 million for the same period last year. Revenue for the period grew by 58% from RM3.9 billion to RM6.1 billion.

MMC's earnings remained resilient despite having to make a substantial provision for the windfall profit levy (WPL). PBT for the third quarter of 2008 of RM252 million saw a marginal impact from WPL compared to RM259 million in the previous corresponding period, while net profit was higher by 5% to RM116 million from RM110 million last year. Revenue for the third quarter showed an impressive 30% year-on-year increase to RM2.3 billion.

MMC's stronger results were driven by the consolidation of Malakoff Corporation Berhad's ("Malakoff") results for nine months (compared to five months in 2007), higher volume of gas sold by Gas Malaysia Sdn Bhd, and increased throughputs and efficiency at Johor Port and the Port of Tanjung Pelepas. There was also strong contribution from the double tracking railway project, which has achieved 15.5% completion to-date, 2% ahead of schedule.

MMC CEO Malaysia Hasni Harun said, “Due to exceptional items, we expect MMC’s performance this year to be lower than in 2007. The exceptional items are one-off payments in lieu of the WPL offsetting the positive impact of contribution from the double tracking project. Without these exceptional items, our full-year results would have been better.”

MMC’s energy and utilities division, the cornerstone of MMC’s revenue, contributed 84% to the Group’s revenue to-date. The cancellation of the WPL, which was replaced with a one-off payment, will pave the way for Malakoff to begin 2009 on a clean slate. Meanwhile, Gas Malaysia’s recession-proof gas reticulation business will continue to provide MMC with a steady stream of cash flow.

MMC’s proposed Petrochemical and Maritime Center, measuring 2,255 acres in Tanjung Bin, Johor, received a boost in September 2008 when a subsidiary of Vitol Terminals BV, the world’s leading oil terminal operator, signed a lease for 123.5 acres of land for 30 years to construct and operate an oil terminal facility.

MMC’s engineering and construction division, comprising the landmark double tracking project and 39.2%-owned Zelan Bhd, remains an essential component of the Group. Hasni said, “MMC is fully committed to bring Zelan to greater heights. Zelan has a solid balance sheet with zero net gearing, and is well-positioned to bid for new projects both domestically and overseas”.

On the international front, MMC’s Jazan Economic City (JEC) has attracted a total of US\$30 billion worth of investments, achieving its target in a span of just two years, well ahead of the 25-year timeframe envisaged during the project’s launch in 2006. Among the industries which will be set up in JEC include infrastructure projects, such as a port (US\$1.4 billion) and a power plant (ultimately US\$5 billion), primary industries, such as an aluminium smelter (US\$3.6 billion), a steel cluster (US\$2 billion) and an oil refinery (US\$12 billion), and secondary industries, such as steel (US\$500 million), automotive (US\$200 million) and shipbuilding (US\$900 million) industries.

Going forward into 2009, Hasni said, “the magnitude of the global financial and economic crises is expected to be severe and the impact to MMC will be unavoidable. However, its severity can be reduced given MMC’s diversified business portfolio.”

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.

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