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MMC POSTS HIGHER PROFIT BEFORE TAX OF RM 1 BILLION IN 2011; REVENUE UP 9%

MMC Corporation Berhad (MMC Group) today reported a profit before tax (PBT) of RM1 billion for the financial year ended 31 December 2011, an increase of 80% compared with the restated PBT of RM555.7 million in the previous year. Revenue grew by 9% to RM9.3 billion from the restated RM8.6 billion registered in the corresponding period. In tandem with the improved profit, MMC proposed a final single-tier dividend of 4 sen per share for the period under review. Profit after tax and minority interest (PATMI) for 2011 was at RM334.5 million as compared to the restated RM243.9 million in 2010.

MMC Group Managing Director, Datuk Hj Hasni Harun said, "In 2011, we adopted the IC Interpretation 4 accounting policy pertaining to leases which required us to make retrospective adjustment to our 2010 results. Nonetheless, we are pleased to announce higher revenue and profits on the back of stronger performance by our key businesses for last year."

The energy & utilities division remains the major revenue and income earner for the MMC Group, contributing 85% to the Group's revenue. Higher profit from the energy & utilities segment was mainly due to higher average dispatch factor achieved by Malakoff's power plants compared to the previous year. Lower finance charges resulting from loan repayments during the year, coupled with improved performance of Malakoff's associate, Kapar Energy Ventures Sdn. Bhd. had also contributed to higher profits for the energy & utilities segment.

Another key subsidiary, Gas Malaysia Berhad registered an increase of 6% in total volume of gas sold to 124.9 million MMBtu from 117.8 million MMBtu in 2010. However, the new gas tariff imposed on Gas Malaysia Berhad, which took effect in June 2011, has resulted in the company experiencing lower margins for last year.

The transport & logistics business also improved significantly, registering a higher PBT of RM238.7 million in 2011 versus RM180.6 million in the corresponding period. This was mainly driven by improved volume handled by both Pelabuhan Tanjung Pelepas (PTP) and Johor Port Berhad (JPB). PTP handled 7.5 million twenty foot equivalent units (TEUs) which is higher by 15.4% as compared to the previous year while JPB's conventional cargo increased by 7.6% for 2011. The overall improvement in throughput volume also cements MMC's position as one of the country's leading port operator.

MMC's engineering and construction division, comprising mainly the electrified double track and Klang Valley My Rapid Transit (KVMRT) projects as well as Zelan Berhad, charted higher PBT of RM54.6 million compared to a loss of RM67.8 million in 2010. The electrified double track railway project is progressing ahead of schedule and has provided continuous contribution to the Group's results. As at 31 December 2011, the project has achieved 79% completion.

For the financial year ended 31 December 2011, the Board of Directors of MMC Group will recommend a final dividend of 4 sen per share, which will be tabled at the company's Annual General Meeting in May 2012 and is subject to shareholders' approval.

Moving forward, Hasni said that the Group expects its financial results for the current year to be higher than 2011 despite the global economic uncertainties. "We are excited about the new projects particularly the 1,000 MW coal-fired power plant extension at Tanjung Bin and KVMRT project, which will commence sometime this year. In addition, the upcoming listing of Gas Malaysia, which is expected to take place in the second quarter, will boost our results for the year."

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About MMC Corporation Berhad

MMC Corporation Berhad (MMC) is a premier utilities and infrastructure group with interests in Transport & Logistics, Energy & Utilities and Engineering & Construction. MMC's key businesses include the Port of Tanjung Pelepas (Malaysia's largest container terminal), Johor Port (Malaysia's leading multi-purpose port) and Senai International Airport (the main gateway to Iskandar Malaysia) in the Transport & Logistics area. In Energy & Utilities, MMC owns strategic assets in Malakoff (Malaysia's largest independent power producer), Gas Malaysia (Malaysia's sole supplier of natural gas to the non-power sector) and Aliran Ihsan Resources Berhad (a major water concessionaire in Malaysia).

MMC's track record in engineering & construction projects is unprecedented, as demonstrated in the development of innovative projects such as the SMART Motorway. MMC, via MMC-Gamuda JV, is currently undertaking the electrified double track railway project in the Northern part of Malaysia, spanning 329km. MMC-Gamuda KVMRT (PDP) Sdn Bhd is also the Project Delivery Partner for the Klang Valley My Rapid Transit (KVMRT) project, the country's largest infrastructure project to date. MMC's involvement in the MRT project is in line with the New Economic Model's strategic reform initiative to re-energise the private sector as one engine of economic growth.

Issued by MMC Corporation Berhad.

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