

UMW ACHIEVES PRETAX PROFIT OF RM124M IN 1Q09

EXECUTIVE SUMMARY

1Q09 financial highlights

- Group PBT contracted 58% YoY to RM124 million
- Oil & Gas Division increased its profit contribution
- Strong balance sheet. Cash deposits of RM1.5 billion
- Positive net cash generated from operating activities

1Q09 operational highlights

- UMW Automotive Division's market share of TIV at 47%
- Popular Toyota Vios constituted 35% of UMWT sales
- Perodua increased market share to 32% despite lower TIV
- UMW Sher's 3 land rigs commenced drilling operations
- Zhongyou BSS plant in China commenced production of SSAW pipes for the 9,100 kilometre 2nd West-East Gas Pipeline, which runs from Khazakhstan to Shanghai

For the rest of FY09

- Automotive Division aiming to maintain its market share
 - New, segment-defining models from Toyota and Perodua
- Oil & Gas Division to step up contribution to Group's profits
 - Zhongyou BSS started making LSAW pipes in May 09
 - NAGA 2 jack-up rig to commence drilling in 3Q09
- To successfully implement investment initiatives
 - United Seamless Tubulaar Private Limited to complete construction of its new seamless pipe plant in India

Dividend payment and policy

- To maintain dividend payout policy of 50% of our net profit despite challenging year
- Final dividend of 12 sen to be paid on 10 Aug 2009 after shareholders approval (total dividend for 2008 – 37 sen)



2009 is turning out to be a challenging year as expected. The Automotive Division is feeling some of the impact of the slowdown. We expect lower sales volume and profit levels in the Division. Our aim for the year is to maintain our market share, reduce cost and maximise profitability. We are however confident that the increased contribution from our Oil & Gas Division can partially offset the lower numbers from our Automotive Division, as we see some of the Oil & Gas investments commencing operations in 2009.

Do feel free to contact us if you have any further queries. Thank you for your interest/investment in UMW.

Dato' Abdul Halim Harun,
Group Managing Director
& Chief Executive Officer
UMW Holdings Berhad

UMW HOLDINGS BERHAD

Group Income Statement

	1Q09 RM'000	4Q08 RM'000	1Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 1Q
Revenue	2,349,803	2,918,353	2,985,126	12,769,581	9,976,151	-21% YoY
Profit From Operations	90,617	224,656	237,758	1,073,651	630,268	-62% YoY
Associated Companies	34,366	43,648	51,747	199,822	207,506	-34% YoY
Profit Before Taxation	123,737	269,942	292,898	1,276,685	856,276	-58% YoY
Net Profit Attributable To Shareholders	65,958	116,145	141,770	565,838	469,147	-53% YoY

Respectable profit level in such business conditions

Subsidiaries attained lower profit level

- 2008 was a year in which UMW set an all-time high profit level. Comparatively, operating conditions in 1Q09 were much more challenging than in 1Q08. Nevertheless, we operated profitably this quarter

Associated companies made lower contributions

- More moderate contribution by Perusahaan Otomobil Kedua Sdn Bhd (more detailed analysis in the following pages)
- Improved operational performance and financial contribution by WSP Holdings Limited

Prospects for remaining part of 2009

Automotive division captures consumers' shifting preferences

- Some consumers are down-trading. Toyota Vios and its J-variant proved popular with car buyers
- UMW Toyota to launch variant of popular passenger car and hybrid vehicle by 3Q09 to enhance marque's standing
- Perodua to gain market share as consumers shift to fuel-efficient, value-for-money vehicles. Launching new MPV by 4Q09

Oil & Gas division successfully completes two key projects

- Zhongyou BSS plant just commenced production and supply of Longitudinal Submerged Arc Welded (LSAW) for 2nd West-East Gas Pipeline Project (Spiral Submerged Arc Welded pipe production started in Jan 09)
- Our new ultra-premium jack-up rig, NAGA 2, to commence drilling operations by 3Q09

To benefit from cost-saving measures but to invest for the future

- Group to reap benefits from proactive measures implemented to mitigate effects of slower economic conditions
- To make good value investment in order to enhance our future competitiveness and revenue-generation capabilities
- Being mindful to balance cost-reduction initiatives, cash preservation measures and the need to invest for the future

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Segment Results & Share Of Profits From Associated Companies

	1Q09 RM'000	4Q08 RM'000	1Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 1Q
Segment Results + Profit Of Associates	130,603	348,562	292,898	1,350,239	861,002	-55% YoY
Automotive	86,137	257,853	245,433	1,114,930	606,711	-65% YoY
Equipment	22,772	35,521	38,558	152,666	138,208	-41% YoY
Manufacturing & Engineering	2,697	9,489	8,519	27,957	25,909	-68% YoY
Oil & Gas	26,310	44,485	16,968	110,977	114,657	+55% YoY

Segmental results



Subsidiaries' EBIT and associated companies contributions

- The above table illustrates our Profit Before Taxation if we were to include profit contributions from our Associated Companies (that include Perusahaan Otomobil Kedua Sdn Bhd in the Automotive segment and WSP Holdings Limited in the Oil & Gas segment)

BUSINESS SEGMENT – AUTOMOTIVE

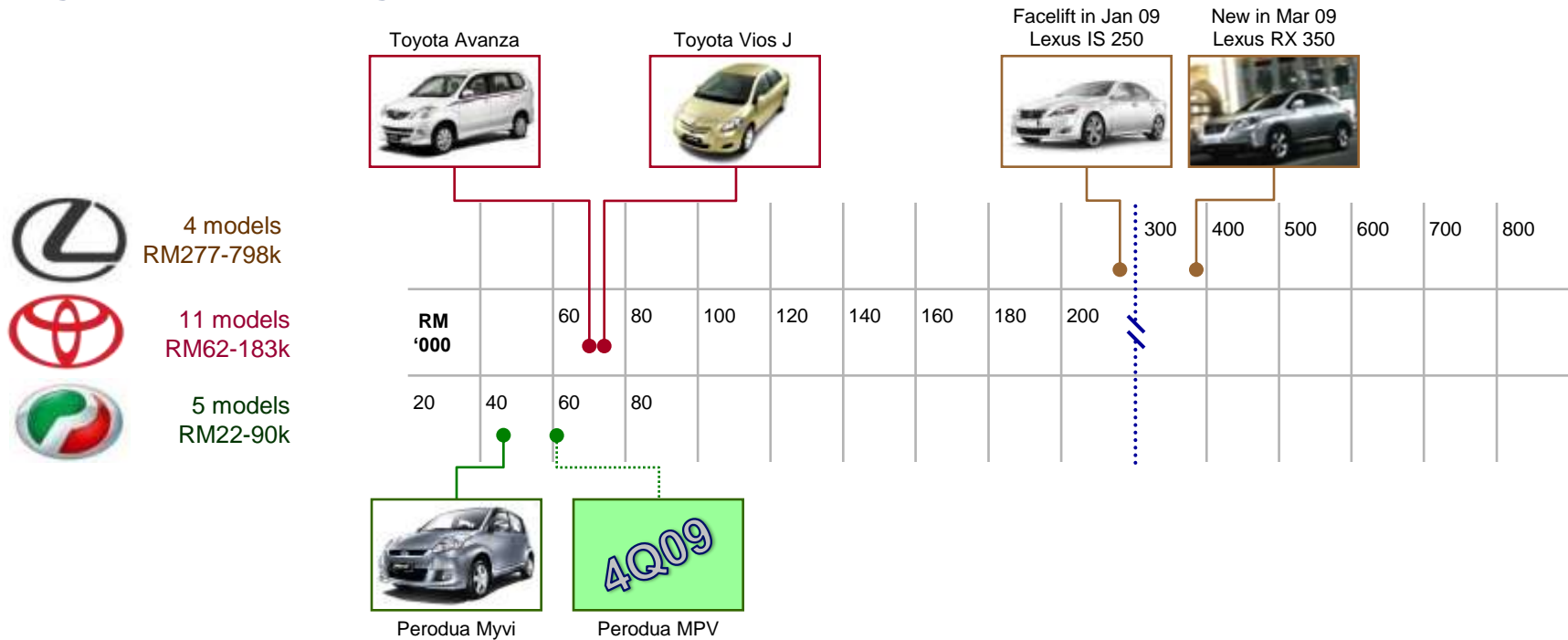
Segmental Reporting

	1Q09 RM'000	4Q08 RM'000	1Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 1Q
Revenue	1,721,254	2,177,232	2,395,985	10,031,823	7,738,505	-28% YoY
Profit From Operations	73,338	238,474	208,195	1,002,020	487,064	-65% YoY

Company (equity interest)	UMW Toyota Motor Sdn Bhd (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn Bhd (38% associated company)
1Q09 sales	<p>1Q is lower but MoM improvement</p> <ul style="list-style-type: none"> -28% YoY to 17,336 units in 1Q09 but 3 consecutive months of improvement from Jan to Mar 09 Vios is the most popular model, made up 35% of total UMWT's sales <div style="text-align: right;">  <p>Toyota Vios S</p> </div>	<p>Outperformed TIV, affordable Viva enjoyed sales growth</p> <ul style="list-style-type: none"> Overall sales decline of 5% YoY to 38,390 units but still outperformed TIV, which declined by 9% YoY Strong sales of Viva, +7% YoY to 15,580 units <div style="text-align: right;">  <p>Perodua Viva</p> </div>
1Q09 market share	<p>Marginally lower but Vios is the most popular</p> <ul style="list-style-type: none"> 1Q09 market share of 14.6%, lower than FY08's all time record high of 18.6% but well above nearest non-national competitor (with <10% of TIV) In Feb and Mar 09, Vios regained its No.1 position within its market segment 	<p>Gained market share</p> <ul style="list-style-type: none"> 1Q09 market share increased to 32.3% from FY08 of 30.5% Consumers showed greater preference for fuel-efficient, value-for-money and affordable vehicles Myvi and Viva remained as core-volume models
1Q09 profitability	<p>Affected by</p> <ul style="list-style-type: none"> Lower sales volume Less favourable exchange rate with US Dollar but no unknown currency risks. We hedge forward up to 3 months for all our currency requirements 	<p>Affected by</p> <ul style="list-style-type: none"> Lower sales volume A less favourable exchange rate as the Company's imported components are denominated primarily in Japanese Yen

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting



4 models
RM277-798k



11 models
RM62-183k



5 models
RM22-90k

Outlook and developments for remaining part of 2009

'Fluid' business environment

- Prospects of slower domestic economic growth but Government's stimulus packages to buffer slowdown
- Consumers have broader choices with new models from our competitors. Greater incentives could be a possibility
- Consumers' sentiment echoed developments abroad but local sentiments have improved in recent months

Invest for the future

- Business-critical capital expenditure, such as plant upgrade, will continue to be implemented
- Will continue to invest in improving our outlets and facilities to serve our customers better

Strengthen our product portfolio

- UMW Toyota will launch Toyota Prius in 3Q09, the first and only purely hybrid designed vehicle in Malaysia
- Variant/facelift of our popular models will be introduced in 3Q09
- Perodua will launch its new MPV by 4Q09. Will be priced below RM70k

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	1Q09 RM'000	4Q08 RM'000	1Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 1Q
Revenue	300,796	343,760	345,678	1,536,392	1,368,523	-13% YoY
Profit From Operations	22,772	36,966	38,558	152,666	138,208	-41% YoY

Heavy Equipment	Industrial Equipment	Marine & Power Equipment
<p>Maintained market share</p> <ul style="list-style-type: none"> Lower unit sales to construction-related activities More importantly, Komatsu maintained market share of more than 30% in key markets/segments <p>After-sales services and parts</p> <ul style="list-style-type: none"> Providing after-sales-support and maintenance for the fleet of 93 large mega-sized mining equipment supplied to the Morobe Consolidated Goldfields Ltd. in Papua New Guinea Increased proportion of revenue from after-sales-support, services and parts as customers keep their existing fleet longer and well maintained <p>Longer term prospects intact</p> <ul style="list-style-type: none"> Heavy equipment sales to important sectors such as plantation expected to be sustained Extensive array of equipment to support and capture economic recovery 	<p>Dominant market share</p> <ul style="list-style-type: none"> In Malaysia, Toyota forklifts have a commanding market share of more than 60% (according to Japan Industrial Vehicles Association report) <p>Customised solutions</p> <ul style="list-style-type: none"> Fleet Management Programme provides total solutions to customers' operational requirements Fleet size has grown by 17% over the past year We also work with finance companies to provide financing solutions for our customers We offer Forklift Operators Training to enhance skills and safety awareness of operating our equipment <p>Extensive product portfolio and network</p> <ul style="list-style-type: none"> With distributorship/franchise for Toyota Forklift in Malaysia, Singapore, Brunei, Vietnam and Shanghai and Zhejiang in China, improvement in economic activities will assist in boosting sales 	<p>New products</p> <ul style="list-style-type: none"> To source new products that can capitalise on the domestic Oil & Gas industry <p>Marine engine contract</p> <ul style="list-style-type: none"> To complete supply of 10 units of General Electric Marine Engine model 12V228 medium-speed engines to NGV Tech Sdn Bhd, a shipbuilder Engines to power anchor handling tug supply (AHTS) vessels

Prospects for remaining part of 2009

Equipment division to perform satisfactorily

- Equipment sales may moderate somewhat but parts and services sales to partially offset such decline with sizeable market share built-up over the years. The Division's overseas operations are expected to perform satisfactorily
- Equipment Division should benefit from some pump-priming activities by the Government's RM7 billion stimulus package

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	1Q09 RM'000	4Q08 RM'000	1Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 1Q
Revenue	114,733	132,489	108,621	490,013	388,009	+6% YoY
Profit From Operations	2,839	8,915	8,339	26,509	24,068	-66% YoY

Pennzoil	KYB	Auto Components	Specialty Equipment
<p>Stable material prices</p> <ul style="list-style-type: none"> Favourable base oil and material prices. Blended and sold lower volume of lubricants given the lower demand Marketing focuses on product quality, enhances the brand 	<p>Supplying to new models</p> <ul style="list-style-type: none"> Nissan Grand Livina rides on shock absorbers from KYB Proton Exora rides on shock absorbers and steer with power steering pump specially manufactured by KYB 	<p>OEM mainstay</p> <ul style="list-style-type: none"> More customised components especially for Proton Exora OEM to Proton, Perodua & Honda 	<p>Repeat orders from clients</p> <ul style="list-style-type: none"> More sales on repeat orders to Middle East customers Exploring new markets

New ventures to underpin future growth

Building the foundation for 2010

- Automotive components sector in India
 - Entered into a JV with Dongshin Motech of Korea to become original equipment manufacturer (OEM) for stamped automotive body parts for Korean car manufacturers in India. Another JV company manufactures components such as mechanical jacks, radiator caps, sheet metal components, aluminium gravity die castings, aluminium alloys, water pump body, cover and brackets for car manufacturers in India. These companies are already operational
- Lubricant market in China
 - Entered into a JV with Dah Chong Hong (Motor Service Centre) Limited to develop the business of manufacturing/processing of lubricants. Plant to be located in Xinhui, Guangdong Province of China, with an initial annual output capacity of 50 million litres. Plant scheduled to be completed by mid-2010 and operations expected to commence by 2H2010. Company is expected to be profitable in its first full year of operations
- Advanced Micro Electronics – Multi layers ceramics substrate / packaging design and manufacturing for the global market
 - Entered into a JV to undertake the business of research, development, manufacturing and supply of Advanced Micro Electronics products and services known as Low Temperature Co-Fired Ceramic (LTCC) and related technology. LTCC products will tap into the very high-growth mobile electronics and telecommunication industry. Operations will commence by 2Q2010. JV company is expected to be profitable by the third year of its operations

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	1Q09 RM'000	4Q08 RM'000	1Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 1Q
Revenue	217,101	269,810	147,268	745,666	501,423	+47% YoY
Profit From Operations	5,036	3,090	2,837	26,227	29,281	+78% YoY
Associated Companies	21,274	27,427	14,131	84,750	85,376	+51% YoY

Improved contribution by subsidiaries

NAGA 1 (semi-submersible rig) operated in Vietnam

- Successfully completed its exploration contract with CSJOC by drilling in Vietnam
- Offshore rig utilisation in the South East Asia region has declined marginally but NAGA 1 is fully contracted for the entire 2009 and up to 2010

Petrodril extending its services

- Will extend its services to provide pressure control related services after JV with Snubco Pressure Control International Ltd
- Hydraulic workover rigs were actively deployed in 1Q09
- Current clients include Petronas Carigali and ExxonMobil

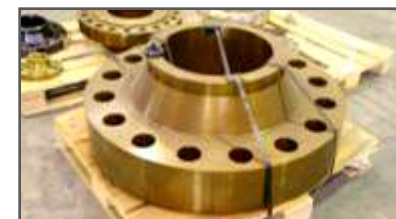
PFP improved inventory sales

- Improved inventory sales toward the end of 1Q09
- Many tender opportunities and high activity level despite lower oil prices
- Competitive margin to capitalise on expected growth in business volume

Much higher contribution by associated companies

WSP increased its profitability

- Sales volume increased 34% YoY to 127,042 MT
- Exports constituted 60% of revenue in 1Q09 even with lower demand in N. America
- Average selling price increased 11% YoY despite lower raw material prices as WSP focused on customising and manufacturing high-end API products
- Net income increased 35% YoY to USD21.4m
- Won several supply contracts in 1Q09 to supply a total of 142,777 MT of OCTG products to Chinese oil and gas companies



PFP's products in Perth, Australia



Petrodril's staff with its workover rig

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

Developments for remaining part of 2009

Zhongyou BSS to raise production output

- Zhongyou BSS started making large-diameter Spiral Submerged Arc Welded (SSAW) for eastern section of the 2nd West-East Gas Pipeline in Jan 09
- In May 09, as scheduled, commenced manufacturing of thicker-steel Longitudinal Submerged Arc Welded (LSAW) transmission steel pipes
- Production of SSAW and LSAW to increase in 2H09. Plant effectively to be fully utilised for the remaining part of 2009
- Our JV partner is Baoji Petroleum Steel Pipe Co, Ltd, a subsidiary in the China National Petroleum Corporation group. The latter has a contract to complete a portion of the more than 9,100-kilometre pipeline

NAGA 2 to commence drilling operations

- Our ultra-premium state-of-the-art jack-up drilling rig has rated operating water depth of 350 ft. and drilling depth capability of 30,000 ft
- After delivery, testing and commissioning, NAGA 2 to commence maiden drilling operations by 3Q09
- International day rates for jack-up rigs have eased marginally. Evaluating offering more competitive rates to long-term clients

To complete new seamless pipe plant in India

- United Seamless Tubular Private Limited's new 300,000 MT plant located in Andhra Pradesh, India, is to be completed by 4Q09
- To start manufacturing seamless tubular pipes by 1Q2010

New ventures

- Very selective but new ventures that open the doorway to new markets are being explored



Zhongyou BSS (Qinhuangdao)'s plant started making LSAW pipes



NAGA 2 jack-up rig as it was nearing completion (in Batam)

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Consolidated Balance Sheet

	Mar 2009 RM'000	Dec 2008 RM'000	Dec 2007 RM'000
Investment In Associates	1,526,218	1,468,121	1,164,154
Property, Plant & Equipment	1,825,932	1,792,362	1,278,355
Deposits, Cash & Bank Balances	1,474,526	1,537,802	1,573,587
Inventories	1,362,700	1,453,830	1,088,941
TOTAL ASSETS	7,811,745	7,828,041	6,491,145
Long Term Liabilities	733,491	719,517	354,163
Short Term Borrowings (include ODs)	567,530	527,954	382,036
TOTAL EQUITY	4,734,867	4,605,420	4,008,544
Net Assets Per Share (RM)	3.29	3.23	2.91

Strong balance sheet

Managing prudently

- Healthy total cash balance of RM1.5 billion
- Increase in long term liabilities due to drawdown of pre-approved facilities to finance especially Oil & Gas investments
 - Investment decisions made over the past few years
 - Many already generating positive returns
 - Tapering-off in the increase of long term liabilities. Most key projects to be completed by 1Q2010
- No significant increase in inventories despite slower revenue generation

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Cost Reduction Initiatives & Action Plans

General Guidelines

- ✓ Defer non-critical capital expenditures

- ✓ Enhance risk factors assessments for new investments

- ✓ Continue to manage and mitigate foreign currency risks and exposures

- ✓ Scrutinise and enhance cashflow management

- ✓ Extract greater efficiency and productivity levels

- ✓ Ensure optimum staffing requirements

- ✓ Achieve cost reductions

- ✓ Look out for good value-for-money investments

- ✓ Make viable, value-for-money investments to be poised to take advantage of future growth cycle

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New UMW Projects

Projects	Business Division	Status
✓ Zhongyou BSS (Qinhuangdao) Petropipe Co, Ltd – manufacturing Spiral Submerged Arc Welded (SSAW) and Longitudinal Submerged Arc Welded (LSAW) transmission steel pipes for China's 2nd West-East Gas Pipeline	Oil & Gas	Manufacturing of SSAW commenced in Jan 09 and LSAW just started in May 09. To increase output in 2H09
✓ NAGA 2 ultra-premium jack-up rig to be delivered by mid-09	Oil & Gas	Drilling to commence in 3Q09
✓ NAGA 3 ultra-premium jack-up rig expected to be completed by end of 2009	Oil & Gas	Delivery by 1Q2010
✓ MK Autocomponents and MK Automotive Industries - JV as an original equipment manufacturer (OEM) for stamped automotive body parts for Korean and other car manufacturers in India	Manufacturing & Engineering	In operation
✓ United Seamless Tubular Private Limited to manufacture seamless tubular pipes at its new 300,000 metric tonnes plant, in Andhra Pradesh, India	Oil & Gas	The plant is expected to be completed by 4Q09 and manufacturing is expected to commence by 1Q2010
✓ JV with Dah Chong Hong, Hong Kong, to develop the business of manufacturing/processing of lubricants in Xinhui, Guangdong Province of China. An initial annual output capacity of 50 million litres	Manufacturing & Engineering	Manufacturing is expected to commence by 2H2010
✓ JV to undertake the business of research, development, manufacturing and supply of Low Temperature Co-Fired Ceramic (LTCC) and related technology	Manufacturing & Engineering	Manufacturing is expected to commence by 2Q2010

THANK YOU



Investor Relations Contacts
Telephone: 603 – 5163 5112



Ms Suseela Menon
Executive Director, UMW Corporation
Email: suseela.menon@umw.com.my



En Meor Mohar Azhar
Executive Director, UMW Corporation
Email: meor.azhar@umw.com.my



Mr Chang Kong Meng
Manager, Investor Relations & Website
Email: chang.kong.meng@umw.com.my

Website URL: www.umw.com.my

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