

UMW ACHIEVES PRETAX PROFIT OF RM305M IN 1Q10

RM million	1Q10	1Q09	YoY
Profit Before Taxation	305.1	123.7	+147%

EXECUTIVE SUMMARY

1Q10 financial highlights

- Group PBT increased by 147% YoY to RM305 million
- Much higher YoY and also QoQ profits at Automotive, Equipment and Manufacturing & Engineering Divisions
- Cash and deposits increased to RM1.87 billion

1Q10 highlights

- Automotive Division's market share at 47%
- Toyota achieved 22% YoY increase in unit sales
- Launched facelifted Lexus LS460L in 1Q10. Also introduced LS460 Sport and Lexus IS250C
- Perodua delivered 12,641 units of Alza. Plans to increase production to reduce customers' 3-month waiting period to be implemented from April onwards (now implemented)
- Oil & Gas Division completing United Seamless Tubular tubular green pipe new plant in India

Prospects for 2H10

- Automotive Division aiming to maintain its market share
 - New Perodua Alza benefits from the first full year of sales
 - Toyota/Perodua to have new/facelift/variant models
- Oil & Gas Division to turnaround and make positive contribution to Group's profits
 - To take delivery of completed NAGA 3 by end-2Q10
- Manufacturing & Engineering Division to see fruits of new ventures into China and India (details inside)

Dividend policy

- Dividend payout of 58.7% of our 2009's net profit, above target of 50%
- To recommend final single-tier dividend of 9.0 sen per share of RM0.50 each, to be paid on 10 August 2010 (20.0 sen for 2009)



Dear fund managers and analysts,

We started 2010 with the recall issue of Toyota vehicles, especially in USA. UMW Toyota is not affected by this recall. In fact, our sales has improved by 22% over 1Q09.

Our Oil & Gas Division experienced a pretax loss mainly due to pre-operating expenses incurred on our greenfield investments which are expected to be operational this year. Our NAGA 2 and NAGA 3 jack-up rigs are expected to be in operation in 3Q10. We expect the Division to make a turnaround and generate positive contributions in 2H10.

The Equipment Division has benefited from a stronger economy and increased infrastructure and construction activities. Manufacturing & Engineering also achieved better profits with increased business volume and efficiencies. This 1Q10 Quarterly Update incorporates the new FRS requirements, as per our quarterly financial results to Bursa Malaysia.

Dato' Abdul Halim Harun,
President and Group CEO
UMW Holdings Berhad

UMW HOLDINGS BERHAD

Group Income Statement

	1Q10 RM'000	4Q09 RM'000	1Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 1Q
Revenue	3,033,157	2,969,431	2,349,803	10,720,861	12,769,581	+29% YoY
Associated Companies	30,522	(1,640)	34,366	70,638	199,822	-11% YoY
Profit Before Taxation	305,094	237,184	123,737	846,504	1,276,685	+147% YoY
Net Profit Attributable To Shareholders	132,856	99,750	65,958	382,395	565,838	+101% YoY

Group profit improved

Strong contributions from subsidiaries

- Profit level improved in 1Q10 YoY due to much stronger contribution from subsidiary companies, especially Automotive Division

Lower contributions by associated companies

- Perusahaan Otomobil Kedua Sdn Bhd achieved significantly better improvement in profit level, both YoY and QoQ
- Associated companies in the Oil & Gas Division recorded a loss in 1Q10 (detailed analysis in the following pages)

Prospects for 2H10

Automotive division poised to capture entire spectrum of improved demand by consumers

- UMW Toyota to benefit from sustained economic activities with its higher-end/premium models. The facelifted Toyota Vios was very well received with 2,600 orders during its launch. Vios is the highest selling model for UMW Toyota. We have also launched the Vios TRD Sportivo variant to cater to car enthusiasts' preference for a more dynamic and sporty Vios
- UMW Toyota will also continue to cultivate its market's presence in the hybrid vehicle segment
- Perodua Alza has expanded its market footprint and average selling prices. It also helps to retain and expand Perodua's customer-base. Perodua will strengthen attractiveness of model line-up with niche-filling variants and is forecasted to retain its No.1 position domestically

Oil & Gas division expects turnaround in financial performance

- United Seamless Tubulaar in India to start commercial production and shipment of seamless tubular green pipes
- PT TPCO Pan Asia, the new plant in Batam, Indonesia, to commence processing and threading of OCTG pipes
- The new ultra-premium jack-up rig, NAGA 2 and NAGA 3 would be ready for deployment. With full ownership of both rigs, we are also exploring and evaluating contractual and strategic options for both rigs

BUSINESS SEGMENT – AUTOMOTIVE

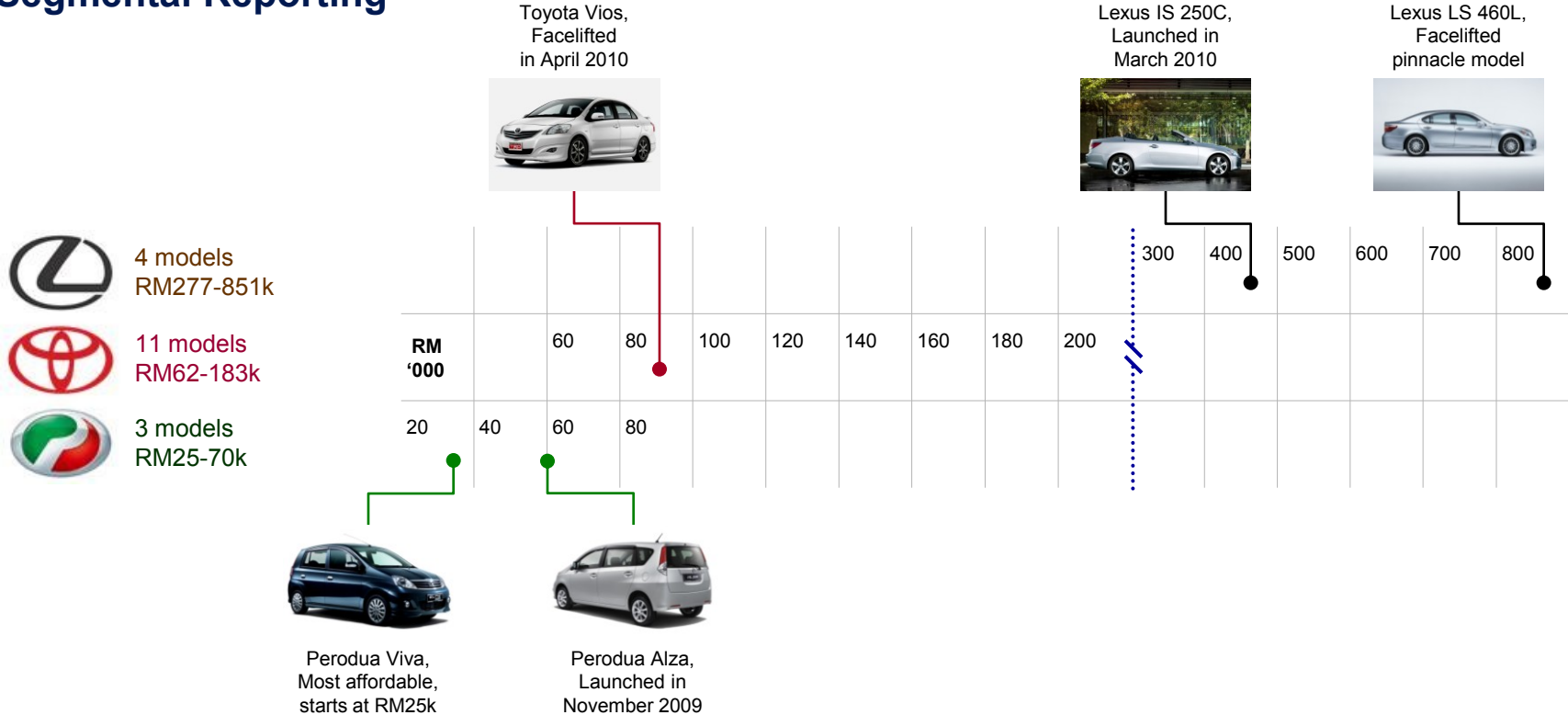
Segmental Reporting

	1Q10 RM'000	4Q09 RM'000	1Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 1Q
Revenue	2,398,305	2,373,085	1,721,254	8,351,365	10,031,823	+39% YoY
Profit Before Taxation	319,105	267,316	93,751	738,247	1,152,765	+240% YoY
Associated Companies	43,782	24,992	12,799	86,146	112,910	+242% YoY

Company	UMW Toyota Motor Sdn Bhd (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn Bhd (38% associated company)
Vehicle sales	<p>YoY improvements</p> <ul style="list-style-type: none"> • 22% YoY improvement in unit sales to 21,225 units • Sales of Toyota Vios increased by 26% YoY. It is the most popular model and contributed 36% to overall UMW Toyota's sales • Lexus sales improved almost 5-fold in 1Q10 compared to previous corresponding period. RX350 is the most sought after Lexus model 	<p>Outperformed TIV</p> <ul style="list-style-type: none"> • 24% YoY improvement in unit sales to 47,751 units, outperformed TIV (which expanded by 22% YoY) • Delivered 12,641 units of Perodua Alza in 1Q10. Planned to raise production to reduce average 3-month waiting period • Perodua Viva awarded by Frost & Sullivan for the 3rd consecutive year as "Best Passenger Car Value for Money Model of the Year". Meanwhile, Perodua Myvi continues to receive strong orders despite in its 5th year of production
Market share of TIV	<p>Maintained market share</p> <ul style="list-style-type: none"> • Maintained market share of TIV at 14.4% in 1Q10, which is identical as previous corresponding period • Toyota Vios retained its No.1 position in its segment and outsold the nearest competitor by 1.5 unit to 1 	<p>Improved YoY</p> <ul style="list-style-type: none"> • Increased market share of TIV to 32.4% in 1Q10 compared to 31.9% in 1Q09 • Forecasted to retain No.1 position for 5th consecutive year • Perodua Alza MPV outsold the nearest MPV competitor by 1.7 unit to 1
1Q10 pretax profit	<p>YoY improved profitability</p> <ul style="list-style-type: none"> • Higher sales volume • Lower unit selling cost as healthy demand reduced the need for higher campaign and incentives related expenses • More favourable exchange rate. The policy is to hedge forward up to 3 months for all currency requirements 	<p>YoY improved profitability</p> <ul style="list-style-type: none"> • Higher sales volume • Perodua Alza has contributed to improved average selling price (ASP) of Perodua vehicles • Improved contributions from associated manufacturing companies

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting



Prospects for 2H10

Invest for the future

- Enhance components localisation to capture greater cost efficiencies and enhance application for incentives
- Invest in plants upgrade to increase assembly quality, testing capabilities and optimise future output capacity
- Ongoing upgrading of outlets, sales centres and human resources to better serve our growing customer-base

New/variant/facelift models

- Competition remained intense as consumers increasingly have broader product choices, especially in the non-national segment. Greater incentives remain a possibility. Fluctuating currencies could also affect overall profit margins
- Perodua/UMW Toyota will continue to introduce new/variant/facelift models to enhance existing model line-up and sustain sales orders

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	1Q10 RM'000	4Q09 RM'000	1Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 1Q
Revenue	350,361	295,256	300,796	1,191,019	1,536,392	+16% YoY
Profit Before Taxation	27,316	20,543	21,817	83,543	144,772	+25% YoY

Heavy Equipment

Strong market share

- Komatsu command a market share of more than 30% in important markets and segments
- Sales of heavy equipment to construction, mining and forestry sectors are expected to improve

Recognition

- *World Highest Market Share* award for Backhoe presented by CASE

Highlights: UMW Niugini

- UMW Niugini Limited has secured a contract to supply 96 units of construction equipment worth USD27 million to Spiecapag, a leading international pipeline contractor based in France, for the laying of LNG gas pipeline in Papua New Guinea

Industrial Equipment

Dominant market share

- Our Toyota forklifts have a commanding market share of more than 60% in Malaysia

Recognition

- Won the *Undisputed Performance Award* and was given the recognition by Toyota Material Handling International (TMHI) for our overall outstanding performance

Highlights: Fleet Management

- Our Fleet Management Programme is designed to suit individual customers' needs with a great degree of flexibility to achieve maximum up-time
- Guinness Anchor Bhd adopted UMW Industries (1985)'s programme since 1999. It has benefited from increased productivity, enhanced utilisation levels and reduced material handling cost

Marine & Power Equipment

Delivering to Middle East

- To complete the delivery of Mitsubishi Genset for the Al-Rheem island development in Abu Dhabi by 4Q10

Powering boats

- UMW to complete supply of 10 units of General Electric (GE) Marine Engine model 12V228 medium-speed engines to NGV Tech Sdn Bhd by 4Q10
- The GE engines meet the toughest emissions requirement in the world while still providing increased output, high level of reliability and fuel efficiency

Prospects for 2H10

Equipment division expected to improve

- Unit sales are expected to be sustained following the improvement seen in 1Q10. This will enhance the overall profitability while parts and services and after-sales support provide a base profit level for our Division
- Domestically, more active level of private sector led construction related activities will enhance the Division's performance. Overseas operations continue to benefit from sustained levels of global metal and commodity prices

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	1Q10 RM'000	4Q09 RM'000	1Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 1Q
Revenue	145,524	153,222	114,733	509,951	490,013	+27% YoY
Profit Before Taxation	11,966	8,347	1,361	23,066	27,496	+779% YoY

Pennzoil	KYB	Auto Components
<p>Sponsoring rally events</p> <ul style="list-style-type: none"> Pennzoil sponsors the GSR-Pennzoil Racing Team as it competes in FIA Asia Pacific Rally Championship. Sponsorship provided continued endorsement for our products and enhanced market penetration 	<p>National MPVs ride on KYB</p> <ul style="list-style-type: none"> Favourable YoY revenue growth as both national MPVs, Perodua Alza and Proton Exora, use KYB shock absorber components and steer using KYB power steering pumps 	<p>OEM mainstay</p> <ul style="list-style-type: none"> No.1 in OEM CKD filter supply sector Major supplier of filtration products to Proton and Perodua Major supplier of engineered plastic products such as engine cam cover to Proton and Perodua

Prospects for 2H10

Production commences in 2H10

- Automotive components sector in India
 - JV with Dongshin Motech of Korea to be an original equipment manufacturer (OEM) for stamped automotive body parts for General Motors (India) Ltd and other local manufacturers in India. Operations commenced in late-1Q10 with General Motors and Hyundai as our clients
 - Sathya Auto manufactures mechanical jacks, radiator caps, sheet metal components and forgings for Hyundai and have recently secured orders from VW. Plant-1 and Plant-2 are operational. The expanded Plant-3 has just been completed and production is to commence in 3Q10
 - Castwel Autoparts manufactures pressure die castings, aluminium gravity die castings and aluminium alloy auto components. Plant-A is operational. Expanded Plant-B has been completed, production to commence in 3Q10
- Lubricant market in China
 - JV with Dah Chong Hong (Motor Service Centre) Limited to develop the business of manufacturing/processing of lubricants. Plant is located in Xinhui, Guangdong Province of China, with an initial annual output capacity of 50 million litres. Plant to be completed by end of 4Q10 and operations scheduled to commence by 1Q11
- Advanced Micro Electronics – Multi layer ceramic substrate/packaging design and manufacturing
 - JV to undertake research, development, manufacturing and supply of Advanced Micro Electronics products and services known as Low Temperature Co-Fired Ceramic (LTCC) and related technology. Operations to commence by 3Q10

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	1Q10 RM'000	4Q09 RM'000	1Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 1Q
Revenue	142,390	156,051	217,101	711,007	745,666	-34% YoY
Profit Before Taxation	(19,234)	(26,493)	14,101	37,696	75,390	-236% YoY
Associated Companies	(15,717)	(22,899)	21,274	2,061	84,750	-174% YoY

On subsidiaries

UMW Tianjin benefits from active E&P

- Active domestic Chinese exploration and production activities are needed to meet the high energy consumption. Hence favourable demand for premium connections threading services which UMW Oilfield Services (Tianjin) provides

Client is extending NAGA 1's contract

- NAGA 1, semi-submersible rig, is currently contracted with Petronas Carigali
- Client is extending the contract to 2012 with a 20-well drilling programme at possibly higher day rates

Hydraulic workover is actively utilised

- UP Gait II and III are being deployed in West and East Malaysia, respectively, in 1Q10 with Petronas Carigali

PFP in Australia suffered a small loss

- Suffered loss due to greater competition as procurement teams of some major clients opted to place direct orders with mills and overseas factories. Expecting better orders in 2H10

On associates

Zhongyou BSS certified by API

- Zhongyou BSS has achieved better YoY profit level and it has also obtained the coveted API Monogram Licence in February 2010. This allows the company to penetrate overseas markets

WSP still affected by duties in USA

- The countervailing and anti-dumping duties imposed on WSP's seamless pipes are still adversely affecting its overall profitability



Premium pipe threading services at UMW Oilfield Services (Tianjin)

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

Prospects for 2H10

Zhongyou BSS to have a full year of production

- It is manufacturing Spiral Submerged Arc Welded Pipes (SSAW) and Longitudinal Submerged Arc Welded (LSAW) pipes for the 2nd West-East Gas Pipeline
- Pipe bending plant is currently undergoing trial production and the commercial production is expected to commence in 2H10 once necessary certification from the relevant authority is obtained

New Indian OCTG plant commencing operations

- United Seamless Tubular Private Limited's new 300,000 MT plant located in Andhra Pradesh, India, would commence commercial production and sales of seamless tubular green pipes in 3Q10

PT TPCO plant in Batam commencing operations

- The new plant, located in Batam, Indonesia, will provide heat treatment and end-finishing of OCTG pipes
- Completed in 1Q10, the plant will provide heat treatment and finishing services from 3Q10 onwards

WSP expected to turnaround in 2H10

- Expecting a turnaround in 2H10 as domestic Chinese market would have adjusted to the increase in domestic supply. WSP continued its focus on enhancing its domestic market penetration and expanding to new export markets

NAGA 2 and NAGA 3 ready for deployment

- NAGA 2 is ready for deployment while NAGA 3 should be delivered by end-2Q10
- We are in the final stages of negotiations with potential clients for both drilling rigs

Updates on UMW Oil & Gas IPO

- Will revise and formulate a new scheme to have more companies for a bigger IPO
- Will ascertain the appropriate timing for the IPO after taking into account market conditions, external business environment and operational parameters



NAGA 2 ultra-premium jack-up rig

UMW HOLDINGS BERHAD

Consolidated Balance Sheet

	Mar 2010 RM'000	Dec 2009 RM'000	Dec 2008 RM'000	Dec 2007 RM'000
Investment In Associates	1,503,513	1,453,676	1,468,121	1,164,154
Property, Plant & Equipment	2,855,183	2,780,553	1,792,362	1,278,355
Deposits, Cash & Bank Balances	1,870,944	1,733,290	1,537,802	1,573,587
Inventories	1,296,294	1,303,573	1,453,830	1,088,941
TOTAL ASSETS	9,169,023	8,825,696	7,828,041	6,491,145
Long Term Liabilities	1,894,412	1,850,598	719,517	354,163
Short Term Borrowings (include ODs)	334,722	294,144	527,954	382,036
TOTAL EQUITY	5,207,914	4,919,768	4,605,420	4,008,544
Net Assets Per Share (RM)	3.52	3.37	3.23	2.91

AAA rated

Issued RM500 million of IMTN, UMW rated AAA

- UMW completed issuance of RM500 million Islamic Medium Term Notes (IMTN) with a tenure of 5 years
 - Still has flexibility to issue another RM300 million (as the total facility approved is RM800 million of Islamic Commercial Papers/Islamic Medium Term Notes (ICP/IMTN) with tenure up to 10 years)
 - No collateral or security pledged for ICP/IMTN Programme
- Malaysian Rating Corporation Berhad has assigned the highest possible Corporate Credit Rating of AAA to UMW

Strong balance sheet

Managing prudently

- Increase in long term liabilities due to drawdown of pre-approved facilities to finance especially Oil & Gas investments
 - Tapering-off in the rate of increase of long term liabilities, most current key projects are to be completed by 2Q10
- Well-managed overall level of inventories
- Net assets per share improved 4% to RM3.52



THANK YOU

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