

UMW ACHIEVES PRETAX PROFIT OF RM 339 M IN 1Q11



RM million	1Q11	1Q10	YoY
Profit Before Taxation	339.5	305.1	+11.3%

EXECUTIVE SUMMARY

1Q11 financial highlights

- Group PBT increased by 11.3% YoY to RM339.5 million
- Much improved YoY and also QoQ profits at Automotive, and Equipment Divisions
- Consolidated cash and deposits stands at RM2.3billion

1Q11 highlights

- Automotive Division's market share at 42.2%
- UMWT launched Lexus - CT200h in February 2011
- Naga 3 jack –up rig was awarded a contract worth USD\$41.5mil (RM126.8mil) by Petronas Carigali for operations within Malaysian waters. Contract is for a duration of one year, with two one-year options for renewal.
- UMW Dongshin Motech Pvt. Ltd won 2010 General Motors Supplier of the Year award.

Prospects for 2H11

- Perodua to introduce new model
- The performance of our overseas associate, WSP Holdings Limited, has shown some improvement.
- Oil & Gas Division on the road to making positive contributions to Group Profits in 2011

Dear fund managers and analysts,

Firstly, we would like to express our deepest sympathies and condolences to the victims of the recent Japan earthquake and tsunami. We have no doubt in our minds that Japan will rise once again, stronger than ever, to overcome this tragedy, in the shortest time possible.

Production at our Automotive Division is at near normal levels as parts supply from Japan has improved. Earnings of our Automotive Division are not likely to be materially affected as a result of the earlier disruption due to favourable exchange rates and cost-reduction efforts.

We are pleased to report that our Oil & Gas Division is on track to recover from its temporary set-back in the last few quarters. All our rigs are now generating income, while our overseas associate, WSP, which was affected by imposition of countervailing anti-dumping duties in the United States has shown some improvement.

Our Equipment Division has benefited from a stronger economy and increased infrastructure and construction activities. Our Manufacturing & Engineering Division is actively seeking new markets and business ventures to strengthen its performance.

Datuk Syed Hisham bin Syed Wazir
President and Group CEO
UMW Holdings Berhad

UMW HOLDINGS BERHAD

Group Income Statement

	1Q11 RM'000	4Q10 RM'000	1Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 1Q
Revenue	3,221,160	3,438,131	3,033,157	12,840,639	10,720,861	+6.2% YoY
Share of Profits of Associated Companies	36,961	10,897	30,522	131,412	70,638	+21.1% YoY
Profit Before Taxation	339,538	224,656	305,094	1,312,938	846,504	+11.3% YoY
Net Profit Attributable To Shareholders	151,832	18,451	132,856	512,398	382,395	+14.3% YoY

Group profit improved

Strong contributions from subsidiaries

Strong economic recovery and improved consumer confidence resulted in high demand for all Group products and services in the Automotive and Equipment segments.

Prospects for 2H11

Automotive Division

- UMW Toyota Motor Group will invest up to RM1 billion in the next three years to further improve its manufacturing arm Assembly Services Sdn Bhd (ASSB), expand its network and build a new centralised stockyard.
- UMW Toyota and Perodua maintaining their sales target for 2011 of 90,000 and 195,000 units respectively.
- Perodua still holds No. 1 position in the Malaysian market with 45,700 units delivered between January and March

Oil & Gas Division

- Naga 2 jack-up rig and United Seamless Tubular Pte Ltd will generate full-year revenue in 2011
- Naga 3 jack –up rig was awarded a contract worth USD\$41.5mil (RM126.8mil) by Petronas Carigali

BUSINESS SEGMENT – AUTOMOTIVE

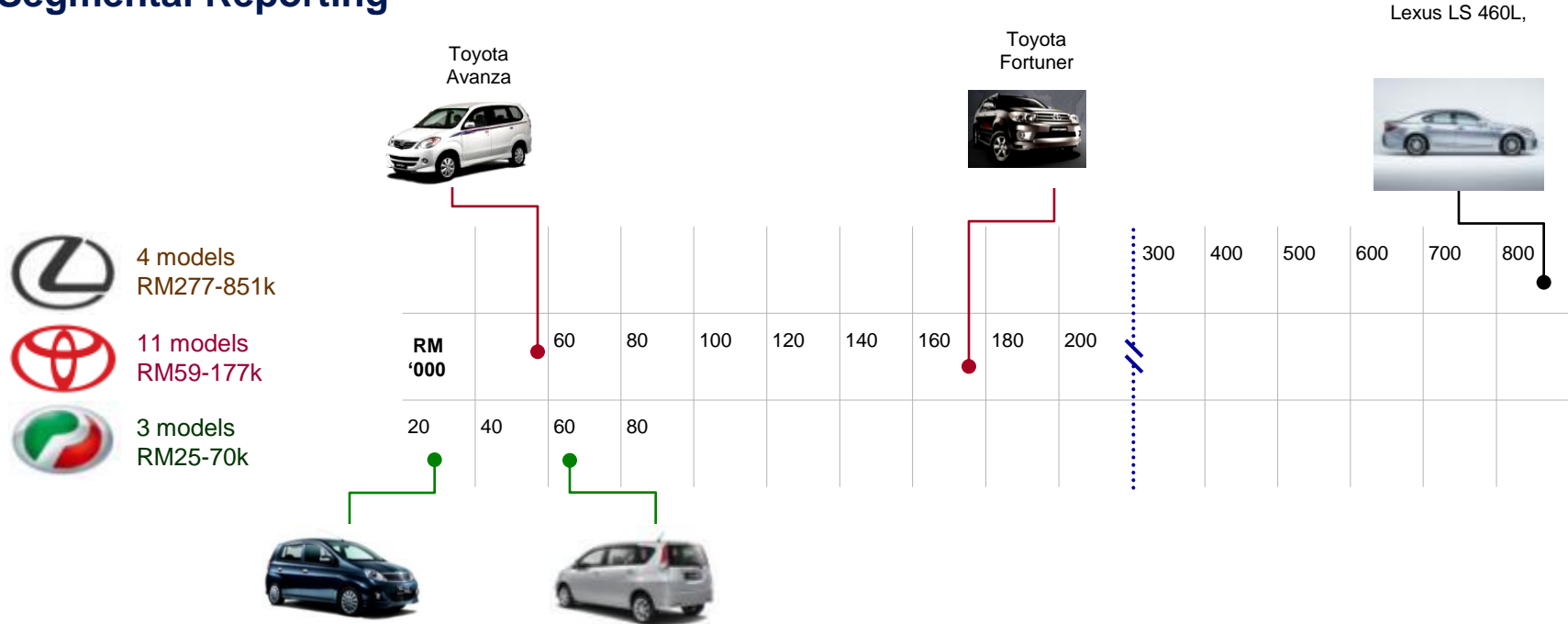
Segmental Reporting

	1Q11 RM'000	4Q10 RM'000	1Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 1Q
Revenue	2,433,914	2,610,685	2,398,305	9,941,543	8,351,365	+1.5% YoY
Associated Companies	43,611	36,935	43,782	164,251	86,146	- 0.4% YoY
Profit Before Taxation	330,200	332,178	319,105	1,380,617	738,247	+3.5% YoY

Company	UMW Toyota Motor Sdn Bhd (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn Bhd (38% associated company)
Vehicle sales	<p>Improved</p> <ul style="list-style-type: none"> 1Q11 sales (Toyota and Lexus) registered 21,310 units compared with 1Q10, 21,225 units Lexus sold 172 units in 1Q11, an increase of 55% compared with 1Q10 (111 units) Toyota Prius sales improved significantly from 62 units in 1Q10 to 463 units in 1Q11 	<p>Outperformed TIV</p> <ul style="list-style-type: none"> Perodua registered sales of 45,661 units for 1Q11. All 3 Perodua models are in the top 5 best-selling car models in the country
Market share of TIV	<p>Market share</p> <ul style="list-style-type: none"> Market share was at 13.4% as of 1Q11 Maintaining sales target of 90,000 units for 2011 UMW Toyota has maintained No. 1 position in non-national segment for 21 consecutive years. 	<p>Market share</p> <ul style="list-style-type: none"> Leader in the passenger car market with 29% market share of TIV in 1Q11 Sales target for 2011 maintained at 195,000 units Forecasted to retain No.1 position for 6th consecutive year in 2011
Impact of Tsunami in Japan	<p>Production</p> <ul style="list-style-type: none"> ASSB had cut overtime and gone on a 1-shift plant operation (from 2-shifts) on 25th April 2011 due to critical parts shortages. However, as parts supply from Japan has since improved, ASSB has resumed a 2-shift operation starting from 23 May. UMWT is optimistic that the production can be ramped up in the 2nd half of the year to make up for most of the earlier production shortfall. Sales forecast for the year remains unchanged for now. Earnings not likely to be materially affected due to favourable exchange rates and cost reduction efforts. 	<p>Production</p> <ul style="list-style-type: none"> The high local content in Perodua cars helped the company to minimise the effects of the Japanese Earthquake and Tsunami on production plans. Operations and the supply chain are at near-normal levels currently.

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting



Prospects for 2H11

Invest for the future

- UMW Toyota Motor Group will invest up to RM1 billion in the next three years to further improve its manufacturing arm ASSB, expand its network and build a new centralised stockyard.
- Ongoing upgrading of outlets, accessory-sales centres and human resources to better serve our growing customer-base

New/variant/facelift models

- Competition expected to remain intense as consumers increasingly have broader product choices, especially in the non-national segment. New smaller vehicles imported from ASEAN markets could also pose greater competition for Perodua
- UMW Toyota continue to introduce new/variant/facelift models to enhance model line-up and sustain orders.
- Perodua will introduce the new Myvi in the 2nd half of 2011

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	1Q11 RM'000	4Q10 RM'000	1Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 1Q
Revenue	437,750	422,936	350,361	1,589,561	1,191,019	+25.0% YoY
Profit Before Taxation	34,120	(9,561)	27,316	96,005	83,543	+25.0% YoY

Heavy Equipment

Strong market share

- Overall market share is estimated at 38%
- 2011 should be another good year for Heavy Equipment.

Highlights

- PBT was higher by 22% for UMW Equipment due to higher sales and better margins resulting from the stronger Ringgit
- Construction activities continued to be strong
- ETP and also other government initiatives to re-energise the private sector and domestic consumption.
- Sales also boosted by active iron ore mining.
- UMW secured an order to deliver 200 units of Komatsu mining equipment in 2011 with a contract value of approximately RM300 million.
- Group conducting consolidation exercise in Papua New Guinea operations to maintain its market share and profit contribution.

Prospects for 2011

Equipment Division performance expected to improve

- Equipment Division performance in 2011 is expected to remain positive with minimum effect from the recent earthquake and tsunami in Japan
- Government New Economic Model, Government Transformation Programme, Economic Transformation Programme and 10th Malaysia Plan expected to re-energise economic activities which are positive for equipment business.

Industrial Equipment

Dominant market share

- Toyota forklifts continue to excel in 1st Quarter 2011 and command market share of more than 60% in Malaysia

Recognition

- Received Toyota President Award – Toyota Material Handling International (TMHI) Award Program 2010
- Achieved Diamond Membership Status in the TMHI Premier Club

Highlights

- Delivered 26 units of Toyota forklift under renewal rental contract with OYL Manufacturing Co. Sdn Bhd

Marine & Power Equipment

Highlights

- Signed a 5 years maintenance price agreement for Cameron reciprocating compressors with a PSC
- Secured contract to supply 4 units instrument air compressor for Sabah onshore gas project for delivery 1st quarter 2012.
- On target to deliver 2 units of motor driven Cameron Reciprocating Export and Booster Compressors, to be used in the Oil & Gas industry
- Submitted 3 bids for a total of 6 units reciprocating gas compressors and 3 units of instrument air compressors.

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	1Q11 RM'000	3Q10 RM'000	1Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 1Q
Revenue	160,567	184,317	145,524	641,233	509,951	+10.3% YoY
Profit Before Taxation	4,949	3,985	11,966	46,717	23,066	- 58.6% YoY

Pennzoil

Performance & On-going promotions

- Lubetech Sdn Bhd completed formulation and packaging for REPSOL range. UMW Pennzoil Distributors Sdn Bhd scheduled to market REPSOL products in 2Q11.
- New Bluesky brand of lubricants launched in SEA markets with exclusive dedicated team.
- UMW Lubricants International Sdn Bhd promotes REPSOL in China through JV, Lubritech Limited.
- Promotional sponsored team, made 2 wins at the PETRONAS Sprinta Cub Pix, giving wide exposure to Pennzoil.
- MCO product range with “Fastrac Racing” Ester technology was officially launched in February 2011.

KYB

KYB – largest suppliers

- KYB-UMW Malaysia and KYB-UMW Steering continue as the largest shock absorber and power steering pump manufacturers in the country
- KYB supplies to all major models of Proton and Perodua.
- Commenced supply of shock absorbers for Nissan Teana and new Perodua Myvi model

Auto Components

OEM mainstay

- Overall positive growth in revenue in line with increase in TIV from Perodua and Proton.
- Sole OEM CKD filtration supplier to both Proton and Perodua.
- Main supplier of engineered plastic products such air intake systems, cam cover, intake manifold, and belt cover for Proton and Perodua.
- Working on securing supply to the new Proton Persona and Exora turbo engine to be launched in Q3 and Q4 respectively.

Prospects for 2011

Production Ramp-Up in 2H11

Automotive components sector in India

- Dongshin Motech (JV with Korean company) supplies automotive upper body parts and assemblies. Orders from GM commenced 1Q10. Plant expansion and equipment of USD6.5m completed. Production ramp up commencing 1Q11 on confirmed orders; 52 parts from VW India, 6 parts from Tata Nano. Received additional order of 12 parts for Tata Nano in 1Q11.
- Sathya Auto manufactures mechanical jacks, radiator caps, sheet metal components and forgings. It is a leading car jack manufacturer in India with market expansion expecting to reach 36% by 2012. The new Plant 3 to commence operations in 2Q11. Production from 3Q11 will be ramped-up on secured orders from VW (Polo), Toyota, and Nissan (Micra) for jacks.
- Castwel Autoparts manufactures pressure die castings, aluminium gravity die castings and aluminium alloy auto components. Both plants are expected to be in full operation with ramp-up of increased orders from multi-nationals like Valeo, Bosch, Sona Steering, and Kayaba from 3Q11.

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	1Q11 RM'000	4Q10 RM'000	1Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 1Q
Revenue	194,005	223,538	142,390	679,277	711,007	+36.2 % YoY
Associated Companies	(7,272)	(26,089)	(15,801)	(44,107)	2,061	- 54.0 %YoY
Profit Before Taxation	534	(139,585)	(19,234)	(190,938)	37,696	>-100% YoY

General Performance

2010 was not a good year for our O&G Division, mainly due to:
 Poor performance of WSP due to imposition of countervailing and antidumping duties by USA.
 Naga 2 did not commence operations till last quarter.
 Negotiations were still in progress on Naga 3

However, the Division is poised for recovery in 2011 from its temporary set-back in the last few quarters.

On subsidiaries

NAGA 1 & NAGA 2

- NAGA 1 (semi-submersible rig), contract with PETRONAS Carigali Sdn Bhd was extended for another 5-years. The contract value is approximately USD250 million
- Naga 2 (jack-up rig) is already working and will generate full-year revenue in 2011. The total contract value approximately USD183.12 million with HESS (Indonesia-Pangkah) Limited.

NAGA 3

- Naga 3 jack –up rig was awarded a contract worth USD\$41.5mil (RM126.8mil) by Petronas Carigali for operations within Malaysian waters. Contract is for a duration of one year, with two one-year options for renewal.

On associates

WSP

- The performance of our overseas associate, WSP Holdings Limited, has shown some improvement.
- Actively looking for new markets in South America

Prospects for 2011

- Naga 2 jack-up rig and United Seamless Tubular Pte Ltd will generate full-year revenue in 2011.
- Naga 3 has been income-generating since March 2011.

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Consolidated Balance Sheet

	Mar 2011 RM'000	Dec 2010 RM'000	Dec 2009 RM'000	Dec 2008 RM'000
Investment In Associates	1,489,765	1,432,418	1,453,676	1,468,121
Property, Plant & Equipment	2,910,664	2,902,759	2,780,553	1,792,362
Deposits, Cash & Bank Balances	2,308,347	2,174,607	1,733,290	1,537,802
Inventories	1,419,627	1,395,708	1,303,573	1,453,830
TOTAL ASSETS	10,033,589	9,995,380	8,825,696	7,828,041
Long Term Liabilities	1,915,941	2,024,963	1,850,598	719,517
Short Term Borrowings (include ODs)	617,162	646,818	294,144	527,954
TOTAL EQUITY	5,590,293	5,261,748	4,919,768	4,605,420
Net Assets Per Share (RM)	3.63	3.49	3.37	3.23

Strong balance sheet

Sizable investments are now largely completed

- Increase in long term liabilities due to drawdown of pre-approved facilities to finance especially Oil & Gas investments
 - Rate of increase of long term liabilities to taper off as most sizable Oil & Gas projects are being completed by 3Q10
- Well-managed overall level of inventories
- YTD, net assets per share RM3.63



THANK YOU

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