

## UMW ACHIEVES PRETAX PROFIT OF RM414m IN 3Q11



RM million	3Q11	2Q11	QoQ
Profit Before Taxation	414.2	312.0	+33%

### EXECUTIVE SUMMARY

#### 3Q11 financial highlights

- Group PBT increased by 33% QoQ to RM414.2 million
- Higher sales of both Toyota and Perodua vehicles and favourable exchange rate for the US dollar resulted in higher profit contributions from the automotive segment.
- Higher revenue was recorded from all four core business segments.
- Consolidated cash and deposits stand at RM2.3 billion

#### 3Q11 highlights

- Automotive Division's overall market share as at 30<sup>th</sup> September 2011 was nearly 43%
- Perodua launched the new Myvi 1.5 on 15<sup>th</sup> September 2011.
- Strong demand for both Myvi models.
- All three of our offshore rigs have been contracted out.

#### Prospects for 4Q11

- Automotive Division will continue to be the major contributor.
- Equipment Division expects strong demand to continue into the last quarter.
- Oil & Gas Division to record higher revenue.
- Manufacturing & Engineering Division is expected to be sustained in 4Q as impact from flooding in Thailand is very minimal.

#### Dividend policy

- Dividend payout of 76.2% of our 2010's net profit was above our announced policy of 50%
- The Board has declared a second interim single-tier dividend of 27% or 13.5 sen per share for the year ending 31<sup>st</sup> December 2011, to be paid on 10<sup>th</sup> February 2012. First interim dividend was 10 sen per share.

Dear fund managers and analysts,

2011 presented major challenges to the Malaysian automotive industry in the form of the tsunami in Japan and the floods in Thailand. It is commendable that UMW Toyota and Perodua faced these challenges in an organised and effective manner. Both companies recorded higher sales in 3Q resulting in high profit contribution from the Automotive Division. The continued strong demand for vehicles will see us achieve our internal revenue and profit targets for 2011.

Full-quarter revenue generated by our premium jack-up rigs, Naga 2 and Naga 3, coupled with the higher day-rate for Naga 1, a semi-submersible rig, contributed to the higher revenue in our Oil & Gas Division.

Our Equipment Division continued to generate strong revenue due to increased infrastructure and construction activities. The strong demand is expected to continue in 4Q. Our Manufacturing & Engineering Division's performance is expected to be sustained in the last quarter due to the stronger demand for automotive components.

The Group is of the view that our internal targets for 2011 are achievable.

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

# UMW HOLDINGS BERHAD

## Group Income Statement

	3Q11 RM'000	2Q11 RM'000	3Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% change for 3Q
Revenue	3,691,437	3,166,475	3,087,276	12,820,229	10,720,861	+17% QoQ
Share of Profits of Associated Companies	21,056	19,827	40,927	113,806	70,638	+6% QoQ
Profit Before Taxation	414,154	311,981	340,922	1,313,219	846,504	+33% QoQ
Net Profit Attributable To Shareholders	169,169	131,178	149,394	526,903	382,395	+29% QoQ

### Other comprehensive income

- Fair value movement of RM22m relates to fluctuation in share price of a long term overseas investment quoted on the Hang Seng Stock exchange

### Prospects for 4Q11

#### Automotive Division

- Sales forecast for the year is 90,000 units, although there could be a small impact due to the Thailand floods.
- The recently opened Integrated Quality Hub (IQH) on October 14,2011, is expected to improve delivery of Toyota vehicles to customers. The IQH consists of a centralised vehicle stockyard, accessory centre, a 2.1km test-track, body and paint centre and a production parts warehouse.
- Toyota Boshoku UMW, which is a joint-venture between Toyota Boshoku Corporation, Japan and UMW Toyota Motor Sdn Bhd on Nov 1,2011, officially opened its second plant meant to accommodate parts production (seats, door trims, interior parts) required for the next generation of Toyota Camry.
- Perodua will try and achieve the revised sales target of 190,000 units, with the continuing strong demand for the new Myvi and continuous demand for Alza and Viva.
- Perodua's total export for this year would be 8,512 units, of which 4,024 units are for Sri Lanka.

#### Oil & Gas Division

- All three of our offshore rigs have been contracted out and are expected to contribute positively to Group revenue.
- Our seamless pipe manufacturing plant in India, USTPL has commenced production and will probably achieve 30% of capacity by year-end. Production should substantially improve in 2012.
- Positive contributions are expected from our onshore drilling rigs operating in Oman.

# BUSINESS SEGMENT – AUTOMOTIVE

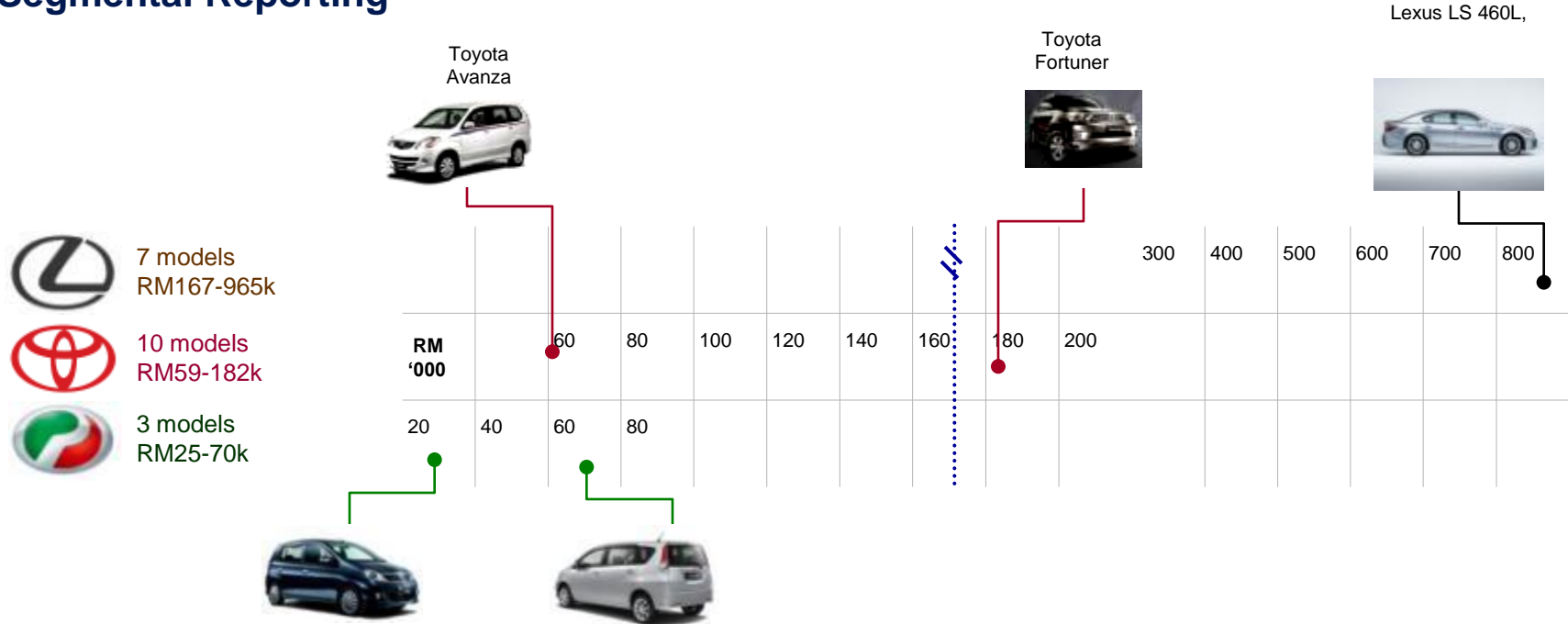
## Segmental Reporting

	3Q11 RM'000	2Q11 RM'000	3Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% change for 3Q
Revenue	2,616,123	2,232,585	2,368,797	9,942,836	8,351,365	+17% QoQ
Associated Companies	44,288	22,692	36,109	166,264	86,146	+95% QoQ
Profit Before Taxation	437,131	303,874	329,134	1,378,019	738,247	+44% QoQ

Company	UMW Toyota Motor Sdn Bhd (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn Bhd (38% associated company)
<b>Vehicle sales</b>	<ul style="list-style-type: none"> <li>• 3Q11 sales (Toyota &amp; Lexus) registered 23,794 units compared with 3Q10 of 22,470 units (+1,324 units)</li> <li>• Toyota Prius sales improved significantly from 32 units in 3Q10 to 526 units in 3Q11.</li> <li>• Lexus sold 564 units in 3Q11, an increase of 304 units compared with 2Q11 (260 units).</li> <li>• 3Q11 sales (Toyota &amp; Lexus) registered 23,794 units compared with 2Q11 of 20,810 units (+2,984 units).</li> </ul>	<p><b>Sales</b></p> <ul style="list-style-type: none"> <li>• Perodua registered sales of 47,719 units for 3Q11, compared with 33,806 units in 2Q11.</li> <li>• As of end-September, Perodua had received 36,696 bookings for the new Myvi 1.3 litre and 5,159 bookings for the Myvi 1.5 litre</li> </ul>
<b>Market share of TIV</b>	<p><b>Market share</b></p> <ul style="list-style-type: none"> <li>• Market share was at 14.4% (YTD Sep 2011).</li> <li>• UMW Toyota has maintained No.1 position in non-National segment for 21 consecutive years.</li> </ul>	<p><b>Market share</b></p> <ul style="list-style-type: none"> <li>• Market share was at 28.2% as of September 2011.</li> <li>• Sales target for 2011 was revised to 190,000 units.</li> <li>• Forecasted to retain No. 1 position for 6th consecutive year in 2011.</li> </ul>
<b>Impact of Floods in Thailand</b>	<p><b>Production</b></p> <ul style="list-style-type: none"> <li>• Toyota Motor Thailand Co., Ltd (TMT) had halted production at its Samrong, Gateway and Ban Ho plants from 10 October to 19 November.</li> <li>• The floods have had no physical impact on the plants.</li> <li>• The plants have resumed production on 21<sup>st</sup> November 2011.</li> <li>• We are doing our utmost to minimise delivery disruptions to our customers.</li> </ul>	<p><b>Production</b></p> <ul style="list-style-type: none"> <li>• The flooding in Thailand has had no impact on the production of Perodua vehicles.</li> </ul>

# BUSINESS SEGMENT – AUTOMOTIVE

## Segmental Reporting



### Prospects for 2011

#### Perodua

- Will try and achieve the revised sales target of 190,000 units due to the strong demand for the new Myvi and continuous demand for Alza and Viva.
- The total export for this year would be 8,512 units, of which 4,024 units are for export to Sri Lanka.

#### UMW Toyota Motor

- Sales forecast for the year is at 90,000 units, with possibility of slight impact on December numbers due to the Thailand floods.
- The recently opened Integrated Quality Hub (IQH) on October 14, 2011, is expected to improve delivery of Toyota vehicles to customers. The IQH consists of a centralised vehicle stockyard, accessory centre, a 2.1km test-track, body and paint centre and a production parts warehouse.

# BUSINESS SEGMENT – EQUIPMENT

## Segmental Reporting

	3Q11 RM'000	2Q11 RM'000	3Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% change for 3Q
Revenue	631,416	472,465	409,454	1,593,050	1,191,019	+34% QoQ
Profit Before Taxation	35,579	38,233	35,734	103,899	83,543	-7% QoQ

### Heavy Equipment

#### Strong market share

- Overall market share is estimated at 36%.
- Year 2011 will be a good year for UMW Equipment in revenue achievement.
- Our positioning in the iron ore and gold mining sub-sectors continues to be No.1

#### Highlights

- 3Q11 was the best quarter for Equipment with turnover growing by 35% due partly to delivery of Fire Trucks.
- Construction and the mining sub-sectors continue to be strong.
- Sectoral activities will continue to be driven by the government Economic Transformation Programme and Public-Private partnership.

#### Prospects for 2011

- 2011 is expected to be a good year for UMW Equipment.
- Construction sector growth will be sustained from projects announced in 2011 Budget, 10MP, ETP, NKEAs and New Economic Corridors.
- Quarry, Iron ore and gold mining activities will be active with improved demand and better commodities prices.
- Agriculture sector growth is expected to improve with better output and CPO prices expected to be at RM3,000 level.
- Timber prices are on the uptrend after its slump in 2006.
- Submitted 2 bids for 4 units instrument air and dryer package.
- Submitted 1 bid for 2 units reciprocating gas compressor package.

### Industrial Equipment

#### Dominant market share

- Toyota forklift continued to do well in 3Q and registered market share of 60% in Malaysia

#### Highlights

- Delivered 13 units of Toyota diesel forklift to Pihak Berkuasa Perlaksanaan Koridor Utara.
- Delivered 12 units of Toyota diesel forklift under new and renewal rental contract with Panasonic Group of Companies.
- UMW Industries organised a safety-themed Customer Day in the Northern Region to promote warehouse safety awareness and safe forklift operations for its customers in line with the company's responsibility as the market leader.

### Marine & Power Equipment

#### Highlights

- In the midst of finalising exclusive distributorship for Deep Blue Pump Co of Netherland to supply Process Centrifugal Pump to Oil & Gas industry.
- Secured 3 years maintenance contract for field service representative(FSR) inclusive of parts supply.
- Successfully completed the supply, installation and commissioning of 4 x 2000 kva Mitsubishi Diesel Generating sets and related M & E works for a Data Centre at a reputable computer exchange at Cyberjaya.

# BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

## Segmental Reporting

	3Q11 RM'000	2Q11 RM'000	3Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% change for 3Q
Revenue	163,668	174,303	147,459	641,057	509,951	-6% QoQ
Profit Before Taxation	(7,552)	4,006	13,577	39,099	23,066	- 289% QoQ

### Lubricants

#### Performance & On-going promotions

- Lubetech Sdn Bhd has commenced production and drum packaging of REPSOL range. UMW Pennzoil Distributors Sdn Bhd commenced marketing of REPSOL products in 2Q11.
- New GEP brand of lubricants planned launched in SEA markets in Q3.
- Participation in the Cub Prix currently standing in No. 2 both on Team and Rider points.
- MCO Fastrac expands involvement via RIDE-IT-RIGHT campaign, nationwide, targeted to the motorcycle fraternity.
- Team PENNZOIL Racing currently leads the overall standing in the Malaysian Rally Championship.
- Lubritech's China factory awarded ISO 9001:2008 and ISO 14001:2004 by TUV Germany after 3 months in operation.
- Lubritech commenced local production of 4l, 18l and 200l of Repsol in April 2011 with further market penetration into China West and Central.
- Lubritech commenced industrial and specialty oil business, a first under GEP brand, penetrating a few key factories in Guangdong Province.

### 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.
- Proton's coming new models, Exora Turbo and Persona R are using 100% KYB absorbers and power steering pumps.
- RS Pro for Proton Satria Neo was launched in August 2011
- Proton Savvy is currently under testing and due for launch in December 2011

### Auto Components

#### OEM mainstay

- Commenced supply of air cleaner for PROTON new upgraded engine IAFM+ (air cleaner and cam cover) phasing out the older IAFM version.
- Recent floods affected Thailand Kokoku Rubber plant, a UASB supplier for gasket. Situation being closely monitored with identified replacement options in case of supply interruption. Resulting from the floods, we have encountered limited impact on supplies to Honda Malaysia.
- UASB still the sole OEM CKD filtration supplier to both Proton and Perodua.
- In 3Q, maintained position as primary supplier of engineered plastic products (e.g., air intake systems, cam cover, and intake manifold) for Proton and Perodua.
- Component development for Proton Exora CFE (turbo engine model) project is progressing well in preproduction stage in time for their planned launch in 4Q. Development of components for Persona-R models in progress, in time for the planned launching in 1Q2012.

### Prospects for 2011

#### Automotive components sector in India

- Dongshin Motech (JV with Korean company) supplies automotive upper body parts and assemblies. Plant expansion completed in Q1 and production ramp up in progress on confirmed orders; 52 parts from VW India, 6 parts from Tata Nano. Received additional order of 12 parts for Tata Nano in Q11. Final stages of price negotiation with Mahindra & Mahindra.
- 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. Market share improvement by maintaining Quality Control. The new Plant 3 commenced operations in 2Q11 with production ramped-up from 3Q11 on secured orders from VW (Polo), Toyota, and Nissan (Micra) for jacks. Planned expansion program for OEM and Tier 1 customers in 3Q2011 and 4Q2011.
- Castwel Autoparts manufactures pressure die castings, aluminium gravity die castings and aluminium alloy auto components. Both plants commenced production runs in 3Q2011 with ramp-up of increased orders from multi-nationals like Valeo, Bosch, Sona Steering, and Kayaba. Negotiations ongoing with TOYOTA (OEM) and WABCO & BRAKES INDIA (Tier 1) with potential for positive outcome by end of 4Q2011.

# BUSINESS SEGMENT – OIL & GAS

## Segmental Reporting

	3Q11 RM'000	2Q11 RM'000	3Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% change for 3Q
Revenue	295,067	286,016	162,310	665,513	711,007	+3% QoQ
Associated Companies	(13,120)	(6,855)	(2,035)	(63,726)	2,061	- 91% QoQ
Profit Before Taxation	(22,220)	(23,303)	(12,803)	(180,428)	37,696	+5% QoQ

### General Performance

- All three offshore rigs have been contracted out and recorded high revenue contributions in 3Q.
- We expect our onshore drilling rigs in Oman and India to contribute positively to our performance in 2011.

### On subsidiaries

#### UMW JDC DRILLING SDN BHD

- NAGA 1, on a 5-year contract with Petronas Carigali, is performing very well and is currently at Kanowit, offshore Sarawak on a subsea well completion programme.
- The higher day-rate is contributing positively to its revenue.
- NAGA 1 continues to extend its no Lost-Time-Incident (LTI) and achieved 4,165 days (11.4 years) at the end of October.

### On associates

#### WSP

- Recorded higher revenue in 2Q after successfully getting new contracts.
- Have intensified their marketing activities and continue to look for new customers in the Middle-east, South America and Central Asia.
- WSP's new finishing mills in Thailand and Houston are expected to start commercial production in 1Q12, thus being able to again export pipes into US.

### Prospects for 2011

- We expect results from the operating activities to continue to improve in the last quarter of 2011.
- While operating results of Oil & Gas Division have shown considerable improvement, further loss from an overseas associate, fair value loss from an overseas quoted investment coupled with a period of plant shut-down by a jointly-controlled entity due to power outage, resulted in a loss for this Division.
- The Division is going through a consolidation and rationalisation exercise with a view to achieving better efficiency and to set up a lean platform for operations going forward.

# UMW HOLDINGS BERHAD

## Consolidated Balance Sheet

	Sep 2011 RM'000	Jun 2011 RM'000	Dec 2010 RM'000	Dec 2009 RM'000
Investment In Associates	1,471,547	1,456,015	1,453,059	1,453,676
Property, Plant & Equipment	3,032,010	2,966,027	2,852,305	2,714,904
Deposits, Cash & Bank Balances	2,280,976	2,436,916	2,195,051	1,733,290
Inventories	1,463,643	1,283,923	1,396,135	1,303,573
<b>TOTAL ASSETS</b>	<b>10,568,696</b>	<b>10,190,901</b>	<b>10,023,818</b>	<b>8,825,696</b>
Long Term Liabilities	1,924,293	1,931,701	1,858,199	1,850,598
Short Term Borrowings (include ODs)	628,635	578,812	825,236	294,144
<b>TOTAL EQUITY</b>	<b>5,516,137</b>	<b>5,537,742</b>	<b>5,267,011</b>	<b>4,919,768</b>
Net Assets Per Share (RM)	3.69	3.66	3.49	3.37

### Strong balance sheet

### Sizable investments are now largely completed

- Consolidated cash and deposits stand at RM2.3 billion.
- Well-managed overall level of inventories
- YTD, net assets per share RM3.69





# THANK YOU

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