

UMW ACHIEVES PRETAX PROFIT OF RM334m IN 4Q13



RM million	4Q13	3Q13	QoQ	FY2013	FY2012	YoY
Profit Before Taxation	333.7	245.6	36%	1,455.2	2,020.3	-28%

EXECUTIVE SUMMARY

4Q13 financial highlights

- The Group revenue for 4Q13 increased by 13% compared with 3Q13, while profit before taxation improved by 36%.
- Consequently, net profit attributable to equity holders of the company increased by 8%.
- Consolidated cash & deposits stood at RM2.1 billion.

4Q13 highlights

- Toyota sales improved by 33% compared with 3Q13 due to the launch of the all-new Vios.
- UMW Oil & Gas Corporation Berhad was listed on the Main Market of Bursa Malaysia on 1 November 2013.
- UMW Oil & Gas registered a profit before taxation of RM205 million for FY2013.

Prospects for 2014

- We hope to maintain a strong market share in the Malaysian automotive industry.
- For UMW Oil & Gas, higher profit contributions are expected from the drilling segment due to higher demand.
- Equipment Division's profitability is expected to be sustained resulting from better cost management and increased parts sales.
- Manufacturing & Engineering segment is expected to improve with the increasing demand for lubricant products.

Dividend

- The Board declared a third interim single-tier dividend of 18% or 9.0 sen per share for the financial year ended 31st December 2013. The total single-tier dividend for the financial year ended 31st December would be 88% or 44.0 sen per share.

Dear fund managers and analysts,

The Group registered lower revenue and profit for the financial year 2013 compared to a year ago. This was mainly attributable to lower contribution from the Automotive and Equipment segments arising from lower sales.

Stiff competition from other car manufacturers with new model launches affected our Automotive Division's performance.. Despite that, we still managed to secure a market share of 44%. The all-new Toyota Vios launched in 4Q13 helped to drive sales.

The newly-listed UMW Oil & Gas Corporation Berhad performed admirably. The performance of this segment is expected to continue to improve in 2014.

The Equipment Division has again maintained its strong results despite the many challenges faced. Moving forward, we will be expanding our equipment leasing segment.

The performance of our Manufacturing & Engineering Division is expected to improve with the strong demand for our lubricant products.

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

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Group Income Statement

	4Q13 RM'000	3Q13 RM'000	4Q12 RM'000 (Restated)	FY 2013 RM'000	FY 2012 RM'000 (Restated)	change Q-o-Q
Revenue	3,891,750	3,456,643	4,050,415	14,206,870	15,816,888	13%
Share of Profits of Associated Companies	33,635	62,223	31,862	173,758	126,156	-46%
Profit Before Taxation	333,686	245,641	471,001	1,455,219	2,020,277	36%
Net Profit Attributable To Shareholders	109,134	101,452	250,892	681,237	994,296	8%

Prospects for 2014

Automotive Division

- UMW Group's combined total sales is forecasted to be about 295,400 units.
- UMW Toyota Motor (98,400 units) and Perodua (197,000 units).

Equipment Division

- The outlook for the Division is expected to be challenging.
- Focus will be on expanding the leasing business.
- There may be a slowdown in the housing sector due to tighter lending and higher RPGT.
- The construction sector growth will be driven by ongoing projects under the Government's Economic Transformation Programmes.
- Commodity prices especially that of palm oil, gold and iron ore are expected to improve due to improving global economy.
- Good prospects with development of many new processing platforms and enhance oil recovery projects

Oil & Gas Division

- Higher profit contribution is expected from the drilling segment due to higher demand.
- We will be taking delivery of 3 new jack-up drilling rigs this year.

Manufacturing & Engineering Division

- The operational performance of the Manufacturing & Engineering segment is expected to improve in 2014.
- Indian operation has hit the bottom in 2013 and should turnaround for the better.
- Higher capacity utilization is expected for lubricant plant in China with new contracts secured.
- Increased sales of auto components and lubricant in Malaysia via product and market expansion initiatives.

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting

	4Q13 RM'000	3Q13 RM'000	4Q12 RM'000	FY 2013 RM'000	FY 2012 RM'000	change Q-o-Q
Revenue	2,866,912	2,433,336	3,029,208	10,263,699	11,498,096	18%
Profit Before Taxation	390,931	294,891	424,564	1,411,987	1,796,792	33%

Company	UMW Toyota Motor Sdn. Bhd. (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn. Bhd. (38% associate company)
Vehicle sales	<ul style="list-style-type: none"> Toyota sold 27,109 units in 4Q13 compared with 28,752 units in 4Q12 (-5.7%) and 20,329 units in 3Q13 (+33.4%). For 4Q13, Lexus sold 483 units compared with 337 units in 3Q13 (+43.3%). Toyota sold 91,185 units in 2013, while Lexus registered 1,336 units. 	<ul style="list-style-type: none"> Perodua registered sales of 48,673 units for 4Q13 compared with 49,726 units in 4Q12 (-2.1%) and 50,525 units in 3Q13 (-3.7%) Perodua sold 196,071 units for 2013.
Market share of TIV	<ul style="list-style-type: none"> Market share for Toyota including Lexus for 2013 was at 14.1%. UMW Toyota has maintained No.1 position in non-national segment for 24 consecutive years. 	<ul style="list-style-type: none"> Market share for Perodua was at 29.9%. Retained the No. 1 position for the 8th consecutive years.
4Q13 Highlights	<ul style="list-style-type: none"> The All-New Toyota Vios was launched on 2 October 2013. The Improved Toyota Hilux was unveiled on 21 October 2013. The Improved Toyota Fortuner was unveiled on 28 October 2013. On 30 October 2013, UMW Toyota Motor Sdn Bhd achieved the No. 1 position in the Sales Satisfaction Index (SSI) according to the J.D Power Asia Pacific 2013. Lexus Malaysia launched the All-New Lexus ES on 7 October 2013 and received close to 200 orders. 	<ul style="list-style-type: none"> Perodua offered 60 limited edition F.E.M 1.5L Myvi units for its customers. The company plans to launch a new model in the second half of this year.

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	4Q13 RM'000	3Q13 RM'000	4Q12 RM'000	FY 2013 RM'000	FY 2012 RM'000	change Q-o-Q
Revenue	371,147	410,754	435,795	1,705,521	2,138,469	-10%
Profit Before Taxation	24,544	55,601	19,247	191,145	183,458	-56%

Heavy Equipment

Strong market share

- Overall market share for 2013 was 25.1% as cheaper Korean and Chinese brands continue making strong inroad into the construction sector with cheap pricing as a strategy.
- Market sentiments continue to be affected by the softer construction sector as well as soft commodity prices.

Highlights

- The softening Ringgit also affected GP margin. The recovery of the USA and European economies are causing an outflow of funds from developing economies.

Others

- No new mega projects announced in 2014 National Budget due to Government's efforts to reign in budget deficit.
- The new tax structure for RPGT has slowed down the property market in some ways.

Industrial Equipment

Dominant market share

- Toyota forklift maintained its 50% market share in Malaysia's material handling equipment business.

Highlights

- Delivered 40 units of Toyota forklift under new and renewal rental contract with Yeo Hiap Seng Group.
- Delivered 39 units of Toyota forklift under renewal rental contract with GS Paper & Packaging Sdn Bhd.
- Delivered to Toyo Tyre Malaysia Sdn Bhd 18 units of Toyota forklift.
- Delivered 11 units of Toyota forklift under renewal rental contract with Agility Logistics Sdn Bhd.

Marine & Power Equipment

Highlights

- Completed site acceptance test for 3 units air compression package on FPSO.
- Appointed exclusive distributor by PDC Machines of USA, a manufacturer of high pressure diaphragm gas compressors.

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	4Q13 RM'000	3Q13 RM'000	4Q12 RM'000 (Restated)	FY 2013 RM'000 (Restated)	FY 2012 RM'000 Restated	change Q-o-Q
Revenue	206,054	205,342	128,177	736,676	724,336	0.3%
Profit Before Taxation	54,526	54,452	12,546	205,381	83,566	0.1%

Results

The increase in revenue for FY13 was due to:-

- New contribution from NAGA 4
- Higher contribution from NAGA 1 and NAGA 2, and offset by
- Lower contribution from HAKURYU 5 and barge services.

Profit before tax for FY13 increased substantially due to:-

- Higher contribution from NAGA 1, NAGA 2 and NAGA 4
- Gain from sale of property by one of the subsidiaries.

Prospects for 2014

- Higher profit contribution is expected from the drilling segment due to higher demand.
- We will be taking delivery of 3 new jack-up drilling rigs this year.

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	4Q13 RM'000	3Q13 RM'000	4Q12 RM'000 (Restated)	FY 2013 RM'000	FY 2012 RM'000 (Restated)	change Q-o-Q
Revenue	184,017	188,938	168,329	737,949	680,708	-3%
Profit Before Taxation	(11,637)	(31,104)	(1,426)	(35,889)	3,604	63%

General Performance

- Malaysian automotive market has generally recovered after a weak start.
- Malaysian market sentiment for replacement market has also gradually improved after GE13, which helped the sales for both auto components and lubricant operations in Malaysia.
- China operations continue to perform better than expected and ahead of internal targets in all areas of operations.
- Unfortunately, the Indian operations continue to struggle with low volume and forex loss.

Results

- Revenue dropped by 3% compared to 3Q13 but improved by 7% compared with 4Q12.
- Year-on-year, revenue improved by 7.9%
- However, the Division recorded a loss of RM12 million in 4Q13.
- For FY2013, the segment registered a total loss of RM36 million, mainly contributed by the Indian operations.
- All other non-Indian operating companies registered good results.

Prospects for 2014

- The operational performance of the Manufacturing & Engineering segment is expected to improve in 2014.
- Indian operation has hit the bottom in 2013 and should turnaround for the better.
- Higher capacity utilization is expected for lubricant plant in China with new contracts secured.
- Increased sales of auto components and lubricant in Malaysia via product and market expansion initiatives.

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Consolidated Balance Sheet

	At 31/12/2013 RM'000	At 30/9/2013 RM'000	Restated 31/12/2012 RM'000	Restated 31/12/2011 RM'000
Investment In Associates	1,696,776	1,691,204	1,554,729	1,414,018
Property, Plant & Equipment	3,893,303	3,846,817	2,997,268	2,863,474
Deposits, Cash & Bank Balances	2,543,835	2,128,033	2,492,582	2,214,825
Inventories	1,751,773	1,666,885	1,768,818	1,466,779
TOTAL ASSETS	14,806,654	11,998,903	11,495,403	10,259,923
Long Term Borrowings	1,602,246	2,085,011	1,633,939	1,638,699
Short Term Borrowings (include ODs)	1,417,321	1,398,875	1,073,674	744,772
TOTAL EQUITY	8,976,622	6,288,427	6,298,417	5,594,072
Net Assets Per Share (RM)	5.45	4.30	4.15	3.63



THANK YOU



Dr Wafi Nazrin Abdul Hamid
Executive Director, UMW Corporation
Head of Group Management Services
Email: wafi@umw.com.my



S. Vikneshwaran
Head, Investor & Media Relations
Email: vikneshwaran.s@umw.com.my
Telephone: +603 5163 5044

Corporate Portal www.umw.com.my

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