

UMW ACHIEVES PRETAX PROFIT OF RM433.3M IN 1Q12



RM million	1Q12	1Q11	QoQ
Profit Before Taxation	433.3	339.5	27.6%

EXECUTIVE SUMMARY

1Q12 financial highlights

- Group revenue registered an increase of 14.7% compared with the preceding year's corresponding quarter.
- Group profit before taxation increased by 27.6% to RM433.3 million.
- Net profit attributable to equity holders of the Company increased by 44.9% compared with the same quarter of 2011.
- Consolidated cash and deposits stands at RM2.3 billion.

1Q12 highlights

- Automotive Division's overall market share for 1Q12 was close to 49%, based on registered vehicles reported by the Malaysian Automotive Association.
- Equipment Division registered a sturdy growth due to strong demand.
- NAGA 3 received a 2-year contract extension from Petronas Carigali Sdn Bhd, worth USD105m (RM315m) in March 2012.
- Manufacturing & Engineering Division registered a small revenue growth.

Prospects for 2012

- Automotive Division hopes to increase or at least maintain their market share.
- Equipment Division is expected to have another good year with strong activities in the various sectors.
- Revenue and operating profit of the Oil & Gas Division is expected to improve significantly.

Dear fund managers and analysts,

Bank Negara Malaysia's responsible lending guidelines had a strong impact on Malaysia's automotive industry. Total industry volume (TIV) dropped by 13% in 1Q12 compared with 1Q11. Although Perodua registered a slight drop in sales compared with 1Q11, the new guidelines had minimal impact on Toyota and Lexus vehicle sales. Higher revenue, coupled with favourable exchange rates for the US dollar resulted in higher profit contributions from the sales of Toyota and Lexus vehicles. Despite the lower sales volume, Perodua achieved a slightly higher profit due to favourable sales mix.

Revenue of our Oil & Gas Division more than doubled in 1Q12 compared with 1Q11. Additional full-quarter revenue contributions from NAGA 3 and HAKURYU 5, coupled with higher revenue from oilfield products and services helped us achieve good results.

Our Equipment Division continued to generate strong revenue and profit due to increased demand for heavy equipment. Our Manufacturing & Engineering Division is expected to increase its revenue contributions progressively over the year.

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

UMW HOLDINGS BERHAD

Group Income Statement

	1Q12 RM'000	4Q11 RM'000	1Q11 RM'000	FY 2011 RM'000 (Audited)	FY 2010 RM'000	% change for 1Q
Revenue	3,695,797	3,477,333	3,221,160	13,535,753	12,820,229	+14.7% QoQ
Share of Profits of Associated Companies	36,425	47,812	36,961	120,889	113,806	-1.5% QoQ
Profit Before Taxation	433,327	315,568	339,538	1,381,486	1,313,219	+27.6% QoQ
Net Profit Attributable To Shareholders	220,034	50,807	151,832	502,053	526,903	+44.9% QoQ

Prospects for 2012

Automotive Division

- UMW Group's combined total sales is forecasted to be 281,000 units for 2012.
- The Division is expected to continue to perform well with the introductions of new models.
- We hope to increase or at least maintain our market share at 45% to 46%.

Equipment Division

- Revenue expected to increase due to continued strong demand for mining equipment.
- Construction sector growth should be strong due to the many projects announced by the Government under the various initiatives.
- No further losses from maintenance contract in Papua New Guinea anticipated for 2012.

Oil & Gas Division

- Full year revenue contribution from NAGA 3, with a higher day-rate from the second quarter of 2012.
- The impending privatisation of WSP will negate the need for impairment losses.
- Higher contribution from land rigs and additional contribution from Garraf Power Plant Phase 1 project.

Manufacturing & Engineering Division

- Higher capacity utilisation for our automotive component plants in India.
- Increased plant utilisation for our new lubricant blending plant in Xinhui, China.
- Higher sales of lubricant products.
- Full-year production at Sathya Auto's third plant in India.

BUSINESS SEGMENT – AUTOMOTIVE

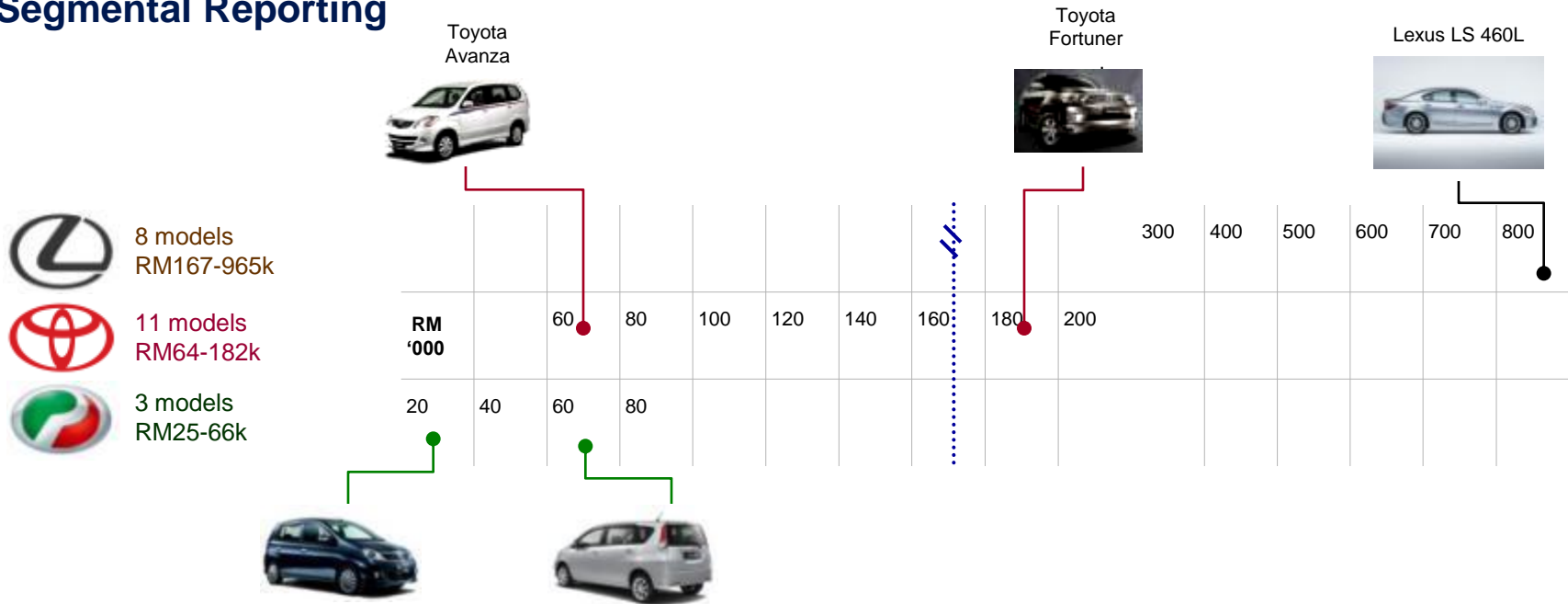
Segmental Reporting

	1Q12 RM'000	4Q11 RM'000	1Q11 RM'000	FY 2011 RM'000	FY 2010 RM'000	% change for 1Q
Revenue	2,497,339	2,418,267	2,433,914	9,699,027	9,942,836	+2.6% QoQ
Associated Companies	44,461	45,558	43,611	156,126	166,264	+1.9% QoQ
Profit Before Taxation	370,697	480,093	330,200	1,547,897	1,378,019	+12.3% QoQ

Company	UMW Toyota Motor Sdn Bhd (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn Bhd (38% associated company)
Vehicle sales	<p>Vehicle Sales</p> <ul style="list-style-type: none"> 1Q12 sales (Toyota & Lexus) registered 22,892 units compared with 1Q11 of 21,310 units. Lexus sold 352 units in 1Q12, an increase of 104.7% compared with 1Q11 with 172 units. 	<p>Vehicle Sales</p> <ul style="list-style-type: none"> Perodua registered sales of 44,743 units for 1Q12, compared with 45,661 units in 1Q11.
Market share of TIV	<p>Market share</p> <ul style="list-style-type: none"> Market share was at 16.5% of 1Q12. UMW Toyota has maintained No.1 position in non-national segment for 22 consecutive year. 	<p>Market share</p> <ul style="list-style-type: none"> Market share was at 32.3% for 1Q12. Set to retain No. 1 position for 7th consecutive year in 2012.
1Q12 Highlights	<p>Production</p> <ul style="list-style-type: none"> Toyota unveiled the new Avanza on 11 Jan 2012 which is targeted to sell about 8,800 units which accounts for 9.5% of its targeted sales for 2012 . The new Toyota Prius C was launched on 20 February 2012. We have received total bookings of 2,766 units as at 14 May 2012. 	<p>Production</p> <ul style="list-style-type: none"> Launched the new Alza SR on 2 February 2012. Sales is expected to reach some 400 units monthly. Since launch, the total registration to-date is about 1,000 units.

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting



Prospects for 2012

UMW Toyota Motor

- Toyota being a premium brand is not expected to be adversely affected by the recent loan restrictions imposed in Malaysia.
- Sales forecast for Toyota including Lexus for 2012 is at 93,000 units.
- The new Toyota Camry will be launched in June 2012.

Perodua

- 2012 is expected to be a challenging year following the recent loan restrictions.
- Perodua has set a sales target of 188,000 units for 2012.
- Perodua is putting aside RM200.5 million for capex in 2012 to improve existing production lines, products, sales and after-sales services.
- A portion of capex will be spent on new flagship 3S centre located in Section 19, Petaling Jaya and is expected to commence operation in second half of 2013.

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	1Q12 RM'000	4Q11 RM'000	1Q11 RM'000	FY 2011 RM'000	FY 2010 RM'000	% change for 1Q
Revenue	614,802	531,468	437,750	2,078,894	1,593,050	+40.4% QoQ
Profit Before Taxation	54,071	(44,717)	34,120	70,510	103,899	+58.5% QoQ

Heavy Equipment

Strong market share

- Overall market share in Malaysia for 1Q12 was at 34.8% compared with 33.4% in 1Q11.
- UMW continues to be the No. 1 in the overall heavy equipment market.
- We maintained our leadership positions in the iron ore and gold mining sub-sectors.

Highlights

- Construction activities are growing strongly due to the various initiatives and projects implemented by the Government.
- Demand from the mining sub-sectors continue to be strong despite the softening prices.
- Strong palm oil price continue to stimulate demand for agriculture tractors.

Prospects for 2012

- Given the strong activities in the various sectors we are involved and barring any unforeseen circumstances, 2012 should be another good year for our Equipment Division.
- The demand for air and gas compressor in the oil & gas sector is expected to be buoyant.
- The demand for marine engines for tugboats and passenger ferries has improved.

Industrial Equipment

Dominant market share

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

Recognition

- Received Toyota CS Excellent Award – Toyota Material Handling International (TMHI) Award Program 2011.
- Achieved Platinum Club Membership Status in the TMHI Premier Club Recognition Program.

Highlights

- Delivered 13 units of Toyota diesel forklifts to Shin Yang Group.
- Delivered 40 units of Toyota diesel forklifts under new and renewal rental contract with Monier Roofing Tiles Sdn Bhd.
- Delivered 14 units of Toyota diesel and gasoline forklifts to Kian Joo Can Factory Bhd.
- Delivered 15 units of Toyota diesel forklifts to Petronas Dagangan Bhd under new rental contract.

Marine & Power Equipment

Highlights

- Secured contract to supply 1 unit of gas injection compressor package to one of the Profit Sharing Contractors (PSC) for installation on their offshore platform near Terengganu.
- Delivered 4 units of instrument air compressor and dryer packages to an Oil & Gas Terminal in Sabah.
- Successfully completed installation and commissioning of 2 units of instrument air compressor packages at a fabrication yard in Pasir Gudang.

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	1Q12 RM'000	4Q11 RM'000	1Q11 RM'000	FY 2011 RM'000	FY 2010 RM'000	% change for 1Q
Revenue	430,708	351,240	194,005	1,109,624	633,489	+122% QoQ
Associated Companies	(11,373)	(3,762)	(7,272)	(35,752)	(63,726)	-56.4% QoQ
Profit Before Taxation	29,880	(189,857)	534	(229,642)	(180,428)	>+100% QoQ

General Performance

NAGA 3

- Received a 2-year contract extension from Petronas Carigali Sdn Bhd (PCSB) for USD105 million in March 2012.

NAGA 1

- Concluded the subsea well completion project with PCSB in the middle of April 2012.
- Reached an impressive 3.96 million man-hours or 4,317 days since last Lost-Time-Incident (LTI) in 2000.
- Has commenced its deep-dish installation project to enhance its life span.

WSP

- Changed the ratio of its American Depositary Shares (ADS) to ordinary shares ("Shares") from 1:2 to 1:10 ("Ratio Change"), effective 15th February 2012.
- This change was done to enable WSP to regain compliance with the continued listing standard of the New York Stock Exchange relating to minimum averages share price.
- The proposed privatisation exercise is still being finalised and a decision will be made soon.

Results

- Revenue more than doubled compared with 1Q11 due to:-
 - Additional full quarter contributions by NAGA 3 and HAKURYU 5. Both the rigs were not revenue contributing in the first quarter of 2011.
 - Higher revenue from the trading of oilfield products and services.
 - Additional revenue contribution from Garraf Power Plant Phase 1 project.

Prospects for 2012

- There will be a full year revenue contribution from NAGA 3, coupled with a 15% increase in day-rate with effect from the second quarter of 2012.
- Gait 1, a work-over rig, has secured a six-months contract for the provision of work-over services in Indonesia.
- A new 2-year contract with 1 year option for renewal with Oil India has been secured for a land rig in India.
- Secured a contract worth USD38.8 million for the supply of 20,000 metric tonnes of LSAW pipes to Oman.

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	1Q12 RM'000	4Q11 RM'000	1Q11 RM'000	FY 2011 RM'000	FY 2010 RM'000	% change for 1Q
Revenue	161,419	172,351	160,567	670,433	673,081	+0.5% QoQ
Profit Before Taxation	4,104	3,919	4,949	(11,929)	39,099	-17.1% QoQ

General Performance

- REPSOL lubricants commenced local production and packaging in March 2012.
- GRANTT lubricants commenced local production and packaging in March 2012.
- Lubritech secured toll-blending contract and started blending for SHELL in China.
- Lubetech secured contract with PERODUA to produce and deliver products such as brake fluids, coolants and battery water.

Results

- Revenue for 1Q12 was 0.5% higher than 1Q11 but lower than our internal target.
- Lower revenue was due to:-
 - Lower sales of lubricants products, coupled with lower production due to distribution companies having high inventory levels.
 - Overseas automotive components manufacturing companies have yet to realise their full potential.
- The Division's profit before tax for 1Q12 was 17% lower than 1Q11 due to:-
 - Lower revenue than budgeted.
 - Rising cost of materials due to strengthening of Japanese Yen.
 - Higher cost of base oil.

Prospects for 2012

- Higher capacity utilisation for our automotive component plants in India.
- Increased plant utilisation for our new lubricant blending plant in Xinhui, China.
- Higher sales of Grantt, Repsol and Pennzoil lubricant products.
- Full-year production at Sathya Auto's third plant.

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Consolidated Balance Sheet

	Mar 2012 RM'000	Dec 2011 RM'000	Sep 2011 RM'000	Dec 2010 RM'000
Investment In Associates	1,460,917	1,424,444	1,471,547	1,453,059
Property, Plant & Equipment	3,029,389	3,077,195	3,032,010	2,852,305
Deposits, Cash & Bank Balances	2,252,283	2,219,430	2,280,976	2,195,051
Inventories	1,787,858	1,518,883	1,463,643	1,396,135
TOTAL ASSETS	11,057,444	10,540,957	10,568,696	10,023,818
Long Term Liabilities	1,719,537	1,743,296	1,924,293	1,858,199
Short Term Borrowings (include ODs)	918,635	850,708	628,635	825,236
TOTAL EQUITY	5,923,032	5,578,068	5,516,137	5,267,011
Net Assets Per Share (RM)	3.82	3.64	3.69	3.49



THANK YOU

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