

UMW ACHIEVES PRETAX PROFIT OF RM312 M IN 2Q11



RM million	2Q11	1Q11	QoQ
Profit Before Taxation	312.0	339.5	-8.1%

EXECUTIVE SUMMARY

2Q11 financial highlights

- Group PBT decreased by 8.1% QoQ to RM312 million
- 2Q results largely affected by disruptions in Toyota and Perodua vehicle production following the earthquake and tsunami in Japan
- Operating results of Oil & Gas Division improved
- Consolidated cash and deposits stand at RM2.4billion

2Q11 highlights

- Automotive Division's overall market share as at 30th June 2011 was 42.3%
- Perodua launched the new Myvi on 16 June 2011.
- All three of our offshore rigs have been contracted out.
- NAGA 1 achieved 11 years with no Lost-Time-Incident (LTI) on 6 June 2011.

Prospects for 2H11

- Oil & Gas Division on the road to making positive contributions to Group Profits in 2011
- Equipment Division expects strong demand to continue into 2nd half
- Manufacturing & Engineering Division expects improvement following positive recovery of automotive sector.

Dividend policy

- Dividend payout of 76.2% of our 2010's net profit was above our target of 50%
- The Board has declared an interim single-tier dividend of 20% or 10 sen (2010-20% or 10 sen) per share for the year ending 31st December 2011, to be paid on 7th October 2011

Dear fund managers and analysts,

The recent earthquake and tsunami in Japan had a negative impact on Malaysia's automotive industry. Although UMW Toyota registered a slight drop in sales compared with 1Q11, I am pleased to inform you that we have ramped up our production for the second half of the year and we expect to meet our sales targets. Perodua's sales was also affected by the Japan disaster and the run-out of the old Myvi. The brand new Myvi was launched on 16th June and the response has been very good. As such the performance of both Toyota and Perodua is expected to be better in the 2nd half.

Operating results of our Oil & Gas Division have improved. All our rigs are now generating income, and we expect our Oil & Gas Division to return to profitability again this year.

Our Equipment Division continued to show strong results due to increased infrastructure and construction activities. The strong demand is expected to continue into the 2nd half. Our Manufacturing & Engineering Division's performance in the 2nd half is expected to improve with the stronger demand for automotive components.

The Group's performance is progressing satisfactorily in accordance with our business recovery plan.

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

UMW HOLDINGS BERHAD

Group Income Statement

	2Q11 RM'000	1Q11 RM'000	2Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 2Q
Revenue	3,166,475	3,221,160	3,282,075	12,820,229	10,720,861	-2% QoQ
Share of Profits of Associated Companies	19,827	36,961	49,066	113,806	70,638	-46% QoQ
Profit Before Taxation	311,981	339,538	442,266	1,313,219	846,504	-8% QoQ
Net Profit Attributable To Shareholders	131,178	151,832	211,697	526,903	382,395	-14% QoQ

Other comprehensive income

- Fair value movement of RM28m relates to fluctuation in share price of a long term overseas investment quoted on the Hang Seng Stock exchange

Prospects for 2H11

Automotive Division

- MAA has revised forecast TIV for 2011 to 608,000 units from 618,000 units
- UMW Toyota is confident of achieving its sales target of 90,000 units.
- Perodua is confident of achieving its revised sales target due to the strong demand for the new Myvi and continuous demand for Alza and Viva.

Oil & Gas Division

- All three of our offshore rigs have been contracted out and are expected to contribute positively.
- Our seamless pipe manufacturing plant in India, USTPL has commenced production.
- Positive contributions are also expected from our onshore drilling rigs operating in Oman.

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting

	2Q11 RM'000	1Q11 RM'000	2Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 2Q
Revenue	2,232,585	2,433,914	2,563,756	9,942,836	8,351,365	-8% QoQ
Associated Companies	22,692	43,611	47,425	166,264	86,146	- 48% QoQ
Profit Before Taxation	303,874	330,200	400,200	1,378,019	738,247	-8% QoQ

Company	UMW Toyota Motor Sdn Bhd (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn Bhd (38% associated company)
----------------	--	---

Vehicle sales

- Toyota Prius sales improved significantly from 75 units in 2Q10 to 464 units in 2Q11
- Lexus sold 260 units in 2Q11, an increase of 51% compared with 1Q11 (172 units)
- 2Q11 sales (Toyota & Lexus) registered 20,810 units compared with 1Q11 of 21,310 units (-500 units).

Sales

- Perodua registered sales of 33,806 units for 2Q11, compared with 45,661 units in 1Q11. The lower sales was due to the run-out of the old Myvi model and shortage of parts supply caused by the earthquake and tsunami in Japan.
- The new Myvi was launched on 16 June 2011. The response has been very good with more than 25,000 orders to date.

Market share of TIV

Market share

- Market share was at 14.2% as of 1H11 (1Q11 was 13.4%)
- UMW Toyota has maintained No. 1 position in non-National segment for 21 consecutive years.

Market share

- Market share was 26.6% as of June 2011.
- Sales target for 2011 was revised to 190,000 units.
- Forecasted to retain No. 1 position for 6th consecutive year in 2011.

Impact of Tsunami in Japan

Production

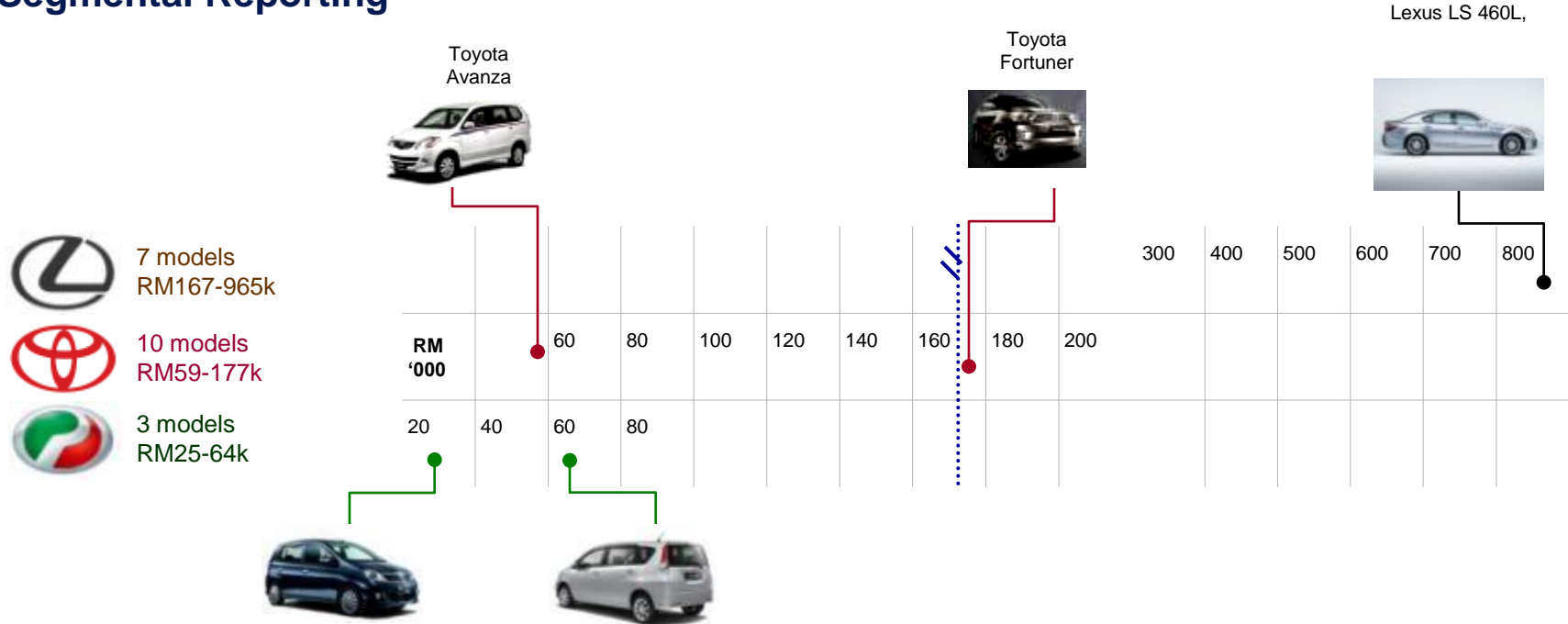
- Vehicle production at Assembly Services Sdn Bhd resumed to 2-shift operation from 23rd May onwards as parts supply from Japan improved after the earthquake on March 11, 2011.
- Resumed normal production earlier than expected.
- UMW Toyota is optimistic that the production can be ramped up in the second half of the year to make up for most of the earlier production shortfall.
- Earnings not likely to be materially affected, due to favourable exchange rates and cost reduction activities.

Production

- Operations and supply chain are back to normal levels

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting



Prospects for 2011

Perodua

- Confident of achieving the revised sales target of 190,000 units due to the strong demand for the new Myvi and continuous demand for Alza and Viva.

UMW Toyota Motor

- Sales forecast for the year remains unchanged at 90,000 units
- To accommodate the growth of our its parts business, UMW Toyota Motor has invested a total of RM30m to build and expand its Parts Distribution Centre in Sungai Buloh.
- Although Toyota's production was disrupted by the earthquake and tsunami in March, UMW Toyota Motor is pleased to report that parts supply from Japan improved earlier than expected. The company is confident of reaching its parts sales target of nearly RM500m this year.

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	2Q11 RM'000	1Q11 RM'000	2Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 2Q
Revenue	472,465	437,750	406,810	1,593,050	1,191,019	+8% QoQ
Profit Before Taxation	38,233	34,120	42,516	103,899	83,543	+12% QoQ

Heavy Equipment

Strong market share

- Overall market share is estimated at 36%.
- We are positive that 2011 will be another good year for UMW Equipment.

Highlights

- Turnover for 2Q11 was higher by 20%.
- Construction activities continued to be strong.
- We ran out of PC200 Hydraulic Excavator in 2Q11 due to delay in cargo attributed to the tsunami in Japan.
- The new economic model and policies in line with international practice will invigorate and create a progressive and competitive economy.

Industrial Equipment

Dominant market share

- Toyota forklift continues with its impressive performance in Q2 and commands market share of more than 60% in Malaysia

Highlights

- Delivered 28 units of Toyota gasoline forklift under renewal rental contract with F&N Beverage Manufacturing Sdn Bhd
- Delivered 15 units of Toyota forklift to Nippon Express (M) Sdn Bhd
- UMW Industries introduced the new Tennant T16 Battery Powered Rider Scrubber to the market, the T16 scrubber is ideal for most industries from automotive assembly plant, retail stores, shopping malls to airports.

Marine & Power Equipment

Highlights

- Delivered 2 units CompAir instrument air compressor and dryer package for offshore use
- Exhibited at oil & gas exhibition - OGA2011

Prospects for 2011

- Construction sector growth will be sustained from projects announced in 2011 Budget, 10MP, NKEAs and New Economic Corridors.
- Quarry and Mining activities will be active with improved demand from Iron Ore Mining.
- 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.
- 2Q11 is expected to be better as projects announced in the ETP began to be felt in the economy.
- Global economic outlook is mixed with possible double dip recession in developed countries due to the ongoing debt crisis in Europe and USA. The recent downgrade of USA sovereign rating to AA+ is expected to have a negative impact on global economy.
- Submitted 2 bids for 3 units instrument air and dryer package and 2 units breathing air compressor.
- Submitted budgetary proposal for 4 units reciprocating gas compressors.

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	2Q11 RM'000	1Q11 RM'000	2Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 2Q
Revenue	174,303	160,567	163,933	641,057	509,951	+9% QoQ
Profit Before Taxation	4,006	4,949	17,189	39,099	23,066	- 19% 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 for launch 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 at 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 with further market penetration into West and Central China.
- Lubritech commenced industrial oil business, a first under GEP brand, penetrating into a few key factories in Guangdong Province.

Prospects for 2011

Production Ramp-Up in 2H11

Automotive components sector in India

- UMW Dongshin Motech Pvt. Ltd won General Motors Supplier of the Year award for 2010.
- UMW 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 1Q11. 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 are expected to be in full operations with ramp-up of increased orders from multi-nationals like Valeo, Bosch, Sona Steering, and Kayaba from 3Q11. Negotiations ongoing with TOYOTA (OEM) and WABCO & BRAKES INDIA (Tier 1) with potential for positive outcome by end of 4Q2011.

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.
- Supply of KYB shock absorbers for newly launched Yamaha 135LC and Modenas C-tric (electric bike).
- Supply of high performance adjustable shock absorbers RS Pro series new Perodua models Kenari and Kelisa
- R&D ongoing to supply RS Pro for the new Proton Savvy.

Auto Components

OEM mainstay

- Overall OEM TIV is revised (from 618,000 to 608,000 by MAA) due to the impact of the Tsunami in Japan. This represent a small growth over last year's actual TIV figure of 605,156 units.
- Sole OEM CKD filtration supplier to both Proton and Perodua.
- Main supplier of engineered plastic products (e.g., air intake systems, cam cover, and intake manifold) for Proton and Perodua.
- R&D in progress to supply components for Proton Exora (turbo engine) & Persona models to be launched in Q4 2011 and Q1 2012 respectively.

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	2Q11 RM'000	1Q11 RM'000	2Q10 RM'000	FY 2010 RM'000	FY 2009 RM'000	% Change for 2Q
Revenue	286,016	194,005	151,059	665,513	711,007	+47% QoQ
Associated Companies	(6,855)	(7,272)	(266)	(63,726)	2,061	- 6% QoQ
Profit Before Taxation	(23,303)	534	(19,316)	(180,428)	37,696	>-100% QoQ

General Performance

- All three offshore rigs have been contracted out and expected to contribute positively.
- The Division is poised for recovery in 2011 from its temporary set-back last year.
- NAGA 1 achieved 11 years with no Lost-Time-Incident (LTI) on 6 June 2011.

On subsidiaries

ARABIAN DRILLING SERVICES, LLC. OMAN

- Ghazal V has commenced operations in Rima Clusters, Oman with MEDCO Energi, on a 2+2 years contract.
- Our other two onshore rigs, Ghazal III & Ghazal IV are contracted to PDO Oman in Lekhwair, Oman for a 4+1+1 year contract.
- We expect the onshore drilling rigs in Oman to contribute positively to our performance for year 2011.

On associates

WSP

- Received contracts worth USD97 million from state-owned oil companies in Venezuela and Ecuador.
- Actively looking for new customers in the Middle-east.
- Setting up a finishing mill in Thailand, so as to be able to again export pipes into US.

Prospects for 2011

- We expect results from the operating activities to continue to improve in the second half of 2011.
- With the improved performance, we expect the division to be profitable again from this year.
- While operating results of Oil & Gas Division have shown considerable improvement, the Division is still showing a loss amounting to RM22.8m for the 6 months ended 30th June 2011 mainly due to fair value movements (e.g. movements in share price of our listed investments)
- The Division is going through a consolidation and nationalisation 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

	Jun 2011 RM'000	Mar 2011 RM'000	Dec 2010 RM'000	Dec 2009 RM'000
Investment In Associates	1,456,015	1,489,765	1,453,059	1,453,676
Property, Plant & Equipment	2,966,027	2,910,664	2,852,305	2,714,904
Deposits, Cash & Bank Balances	2,436,916	2,308,347	2,195,051	1,733,290
Inventories	1,283,923	1,419,627	1,396,135	1,303,573
TOTAL ASSETS	10,190,901	10,033,589	10,023,818	8,825,696
Long Term Liabilities	1,931,701	1,915,941	1,858,199	1,850,598
Short Term Borrowings (include ODs)	578,812	617,162	825,236	294,144
TOTAL EQUITY	5,537,742	5,590,293	5,267,011	4,919,768
Net Assets Per Share (RM)	3.66	3.63	3.49	3.37

Strong balance sheet

Sizable investments are now largely completed

- Consolidated cash and deposits stand at RM2.4 billion.
- Well-managed overall level of inventories
- YTD, net assets per share RM3.66



THANK YOU

Investor Relations Contact
Telephone: +603 5163 5044



Ms Suseela Menon
Executive Director, UMW Corporation
Head of Group Management Services
Email: suseela.menon@umw.com.my



S. Vikneshwaran
Manager, Investor & Media Relations
Email: vikneshwaran.s@umw.com.my

Corporate Portal www.umw.com.my

This material is proprietary and is prepared specifically for the recipient's reference. The information contained herein is not to be distributed without the consent of UMW Holdings Berhad. Any recommendation or views contained in this document do not have regard to specific investment objectives, financial situation and the particular needs of any specific audience. The content furthermore is believed to be correct at the time of the issue of this document, and is not and should not be construed as an offer or a solicitation of any offer to buy or sell any securities. Nor does this document purport to contain all the information a prospective investor may require.