

UMW ACHIEVES PRETAX PROFIT OF RM341M IN 3Q10

RM million	3Q10	3Q09	YoY
Profit Before Taxation	341	288	+18%

EXECUTIVE SUMMARY

3Q10 financial highlights

- Group PBT increased by 18% YoY to RM341 million
- Much improved YoY and also QoQ profits at Automotive, Equipment and Manufacturing & Engineering Divisions
- Consolidated cash and deposits stands at RM1.8billion

3Q10 highlights

- Automotive Division's market share at 47%
- 13% YoY improvement in unit sales to 66,985 units for UMW Toyota
- Launched new Altis facelift with additional variant of engine capacity 2.0l on top of the existing 1.6l and 1.8l
- Perodua targeting sales of 185,000 units by year end
- NAGA 2 has commenced work for the Pangkah WHP-B Development Drilling Programme
- USTPL has delivered its maiden shipment in August 2010

Prospects for 4Q10

- Automotive Division aiming to maintain its market share
 - Toyota/Perodua to have exciting new/facelift/variant models
- Oil & Gas Division on the road to making positive contribution to Group Profits in 2011
 - UMW has taken delivery of NAGA 3 and is now in active negotiations with potential clients

Dividend

- Dividend payout of 59% of our 2009's net profit, above target of 50%
- Declared interim single-tier dividend of 20% or 10.0 sen per share of RM0.50 each, paid on 7 October 2010
- Declaring 2nd interim single-tier dividend of 27% or 13.5 sen per share of RM0.50 each, to be paid on 11 February 2011



Dear fund managers and analysts,

As UMW's new President & Group CEO with effect from 1st October 2010, I am happy and honoured to address you for the first time.

Our Automotive Division continued to achieve commendable results, spurred by good sales numbers and favourable foreign exchange rates. Going forward into the next quarter, we expect continued good results.

Our Oil & Gas Division is poised for recovery in 2011 from its temporary set-back in the last few quarters. Our Naga 2 has been deployed to East Java, for HESS International. Our new pipe manufacturing plant in Hyderabad, India has commenced operations and made its maiden shipment of 200 metric tonnes in August 2010. Although WSP's margins have been affected by excess capacity in the domestic China market, the company has secured new export markets, consequent, to which sales have improved.

Our Equipment Division continued to show strong results, benefiting from a high level of infrastructure and construction activities.

Our Manufacturing & Engineering Division also achieved good results and is expected to benefit from its recent green-field investments and cost reduction efforts.

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

UMW HOLDINGS BERHAD

Group Income Statement

	3Q10 RM'000	2Q10 RM'000	3Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 3Q
Revenue	3,087,276	3,282,075	2,797,651	10,720,861	12,769,581	+10% YoY
Associated Companies	40,927	49,066	43,010	70,638	199,822	-5% YoY
Profit Before Taxation	340,922	442,266	288,174	846,504	1,276,685	+18% YoY
Net Profit Attributable To Shareholders	149,394	211,697	125,938	382,395	565,838	+19% YoY

Group profit improved

Strong contributions from subsidiaries

- Profit level improved in 3Q10 YoY due to much stronger contribution from subsidiary companies, especially Automotive Division

Improved Overall contributions by associated companies

- Perusahaan Otomobil Kedua Sdn Bhd achieved significantly higher profit levels, both YoY and QoQ
- Associated companies in the Oil & Gas Division recorded a loss in 3Q10 (details in the following pages)

Prospects for 4Q10

Automotive Division

- UMW Toyota launched Hilux 3.0G in addition to the existing 2.5l on 7th October and Lexus RX 270 in addition to the existing RX 350.
- UMW Toyota will be launching Lexus Hybrid LS 600hL and RX 450h on 23rd November 2010.
- The enhanced exemption of import and excise duty from 50% to 100% from 1 January 2011 to 31 December 2011 for hybrid vehicles with engine capacity 2,000cc and below announced in the 2011 National Budget will help to boost demand for Hybrid vehicles
- Perodua launched latest addition of ViVa model – 'ViVa Elite Exclusive Edition'. The ViVa Elite Exclusive Edition is priced at RM42,000 on the road

Oil & Gas Division

- UMW has taken delivery of NAGA 3 and is now in active negotiations with potential clients
- O&G Division expects turnaround in 2011

BUSINESS SEGMENT – AUTOMOTIVE

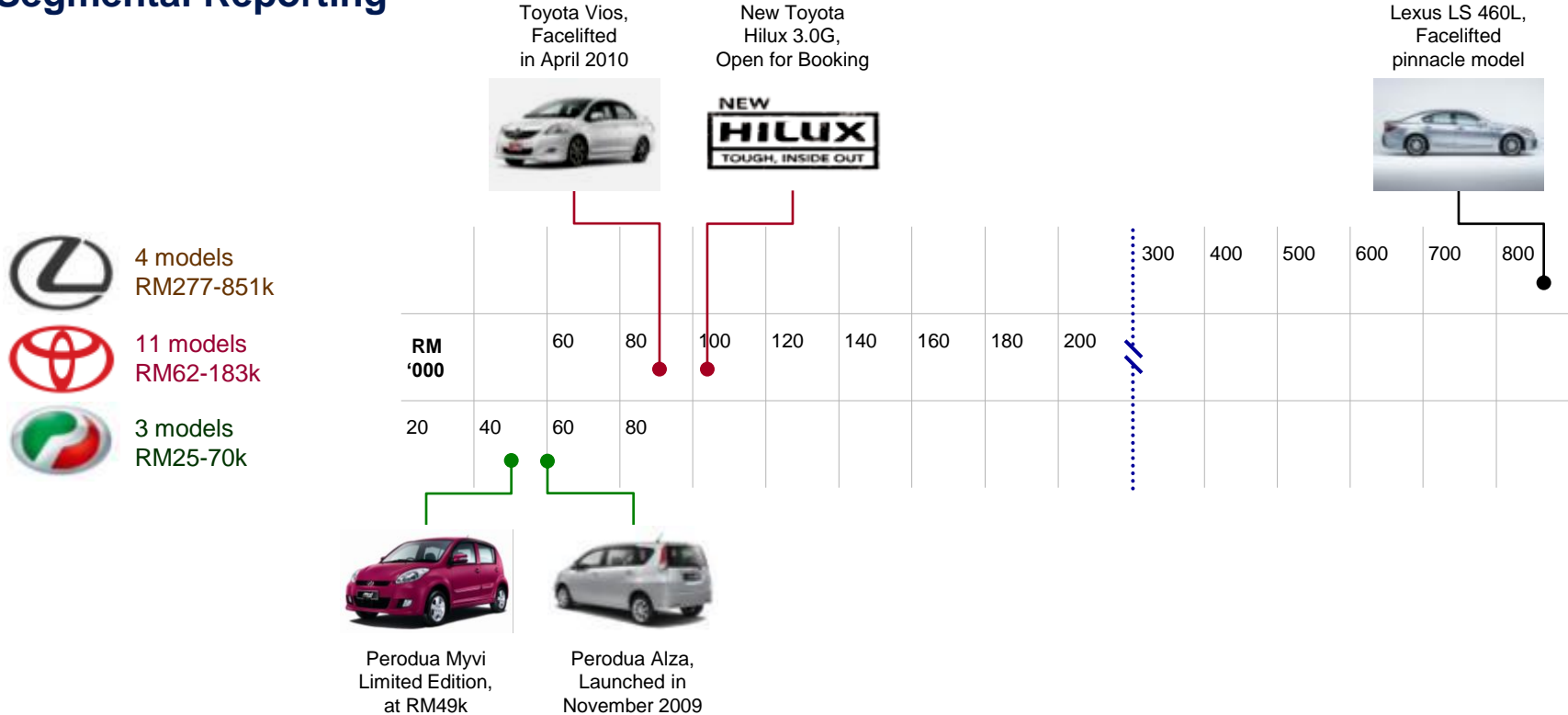
Segmental Reporting

	3Q10 RM'000	2Q10 RM'000	3Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 3Q
Revenue	2,368,797	2,563,756	2,232,076	8,351,365	10,031,823	+6% YoY
Associated Companies	36,109	47,425	32,767	86,146	112,910	+10% YoY
Profit Before Taxation	329,134	400,200	250,412	738,247	1,152,765	+31% YoY

Company	UMW Toyota Motor Sdn Bhd (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn Bhd (38% associated company)
Vehicle sales	<p>YoY improvements</p> <p>YTD Sep 2010 (66,985units) vs YTD Sep 2009 (59,255units)</p> <ul style="list-style-type: none"> • 13% YoY improvement in unit sales to 66,985 units. • Toyota Vios contributed 38% of UMW Toyota's total sales • Toyota Camry sales increased by 54% YoY as it continues to benefit from improved business environment • Lexus sales improved 49% YoY. Demand for the RX 350 continues to remain strong. 	<p>Outperformed TIV</p> <ul style="list-style-type: none"> • Sales target revised upwards from 176,00 units by year-end to 185,000, given improved economy and good response received for sales and bookings. • 15% YoY jump in sales to 141,000 units. • Sales boosted by introduction of new Myvi variant -1.3L Myvi LE; restyled for women, who represent more than 50% of Perodua car buyers
Market share of TIV	<p>Maintained market share</p> <ul style="list-style-type: none"> • Market share decreased slightly YoY to 14.77% in 3Q10 compared to 14.92% in 3Q09. • Toyota Vios retained its No.1 position in its segment in 3Q10 and outsold the nearest competitor by a margin of 1.34 unit of Vios to 1.00 unit by the competitor. 	<p>Improved YoY</p> <ul style="list-style-type: none"> • Leader in the passenger car market with 35.1% market share of TIV • Forecasted to retain No.1 position for 5th consecutive year
3Q10 pretax profit	<p>YoY and QoQ improved profitability</p> <ul style="list-style-type: none"> • +35% YoY increased in PBT • Effective control of selling and general administration costs • More favorable exchange rate and will continue current hedging policies for all future currency requirements. 	<p>YoY improved profitability</p> <ul style="list-style-type: none"> • Higher sales volume • Improved contributions from associated manufacturing companies

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting



Prospects for 4Q10

Invest for the future

- Enhance components localisation to capture greater cost efficiencies and raise overall capabilities of local vendors
- Invest in plants upgrade to increase assembly quality, testing capabilities and optimise future output capacity
- Ongoing upgrading of outlets, accessory-sales centres and human resources to better serve our growing customer-base

New/variant/facelift models

- Competition remained 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
- Some possibility of greater campaign/incentives in 4Q10 to sustain sales momentum. Promotional packages to ease financing cost may be considered as hire purchase rates have increased. Fluctuating currencies could also affect overall profit margins
- We are monitoring the impact of the the Inspira model launched by Proton and we will take measures to counter the competition
- UMW Toyota/Perodua will continue to introduce new/variant/facelift models to enhance model line-up and sustain orders

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	3Q10 RM'000	2Q10 RM'000	3Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 3Q
Revenue	409,454	406,810	297,328	1,191,019	1,536,392	+38% YoY
Profit Before Taxation	35,734	42,516	20,925	83,543	144,772	+71% YoY

Heavy Equipment

Strong market share

- Komatsu continued to command a market share of more than 30% in its market segments
- Sales of heavy equipment to construction, mining and industrial sectors are expected to be sustained

Highlights: MAHB

- UMW Equipment has been awarded a contract to supply 21 Rosenbauer Airport Fire Fighting Vehicles to Malaysia Airports Holdings Berhad (MAHB) at a total value of approximately RM75 million.

Industrial Equipment

Dominant market share

- Our Toyota forklifts continue to command market share of more than 60% in Malaysia

Highlights

- Renewed rental contract with Tobacco Importers for 26 units of Toyota forklifts
- Order received from Kian Joo Can Factory for 19 units of Toyota forklifts
- Signed new rental contract with Total Logistics for 23 units of Toyota forklifts

Marine & Power Equipment

Delivering to Middle East

- Delivery of Mitsubishi Gensets for Al Rheem island development was completed ahead of schedule.

Inroads by Cameron Compressors

- Secured a new order for the design, supply, manufacture, testing, painting, export protection and delivery of Air Compressor Package and instrument Air Dryer Skid, to be used in the Oil & Gas industry. Scheduled to be delivered in 2Q of 2011

Prospects for 4Q10

Equipment Division performance expected to improve

- Unit sales, parts and after sales support, are expected to be favourable following the improvements seen in 2H10.
- Initiatives announced by the government at 2010/11 Budget are expected to spur construction activities which will indirectly benefit Equipment Division.
- Overseas operations continue to benefit from sustained levels of global metal and commodity prices

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	3Q10 RM'000	2Q10 RM'000	3Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 3Q
Revenue	147,459	163,933	128,914	509,951	490,013	+14% YoY
Profit Before Taxation	13,577	17,189	3,469	23,066	27,496	+291% YoY

Pennzoil	KYB	Auto Components
<p>Performance & On-going promotions</p> <ul style="list-style-type: none"> Pennzoil sees a favourable upturn in revenue in 2H10 Sponsors the GSR-Pennzoil Racing Team competing in FIA Asia Pacific Rally Championship. Event provides exposure and penetration, raising public awareness of the Pennzoil brand 	<p>National MPVs ride on KYB</p> <ul style="list-style-type: none"> Continued favourable results with the launch of the national MPVs, Perodua – Alza, and Proton - Exora, as well as soon to be launched Proton Sedan which use KYB shock absorber components and steering pumps. KYB also supplies complete power steering pump requirements of Perodua and Proton. 	<p>OEM mainstay</p> <ul style="list-style-type: none"> No.1 in OEM CKD filter supply sector Major supplier of filtration products to Proton and Perodua Major supplier of engineered plastic products such as engine cam cover to Proton and Perodua
<p>Prospects for 4Q10</p>	<p>Production commences in 2H10</p> <ul style="list-style-type: none"> Automotive components sector in India <ul style="list-style-type: none"> JV with Dongshin Motech of Korea to be an original equipment manufacturer (OEM) for stamped automotive body parts for General Motors (India) Ltd and other local manufacturers in India. Operations commenced in late-1Q10 with General Motors, Bentler, and others as our clients. Plant has been audited by VW and Tata and received approved vendor status with orders expected in 2011. Sathya Auto manufactures mechanical jacks, radiator caps, sheet metal components and forgings and have recently secured orders from VW (Polo) and Toyota for the supply of jacks. Plant has been audited by VW and Toyota (India) and received letter of intent. Plant-1 and Plant-2 are operational. Plant 3 starts production trials 15/12/2010. Castwel Autoparts manufactures pressure die castings, aluminium gravity die castings and aluminium alloy auto components <ul style="list-style-type: none"> Plant-A is operational Expanded Plant-B has been completed started production 4Q2010. Lubricant market in China <ul style="list-style-type: none"> JV with Dah Chong Hong (Motor Service Centre) Limited to develop the business of manufacturing/processing of lubricants. Plant is located in Xinhui, Guangdong Province of China, with an initial annual output capacity of 50 million litres. Plant to be completed by end of 4Q10 and operations scheduled to commence by 1Q11 	

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	3Q10 RM'000	2Q10 RM'000	3Q09 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 3Q
Revenue	162,310	151,059	144,416	711,007	745,666	+12% YoY
Associated Companies	(2,035)	(266)	5,631	2,061	84,750	-136% YoY
Profit Before Taxation	(12,803)	(19,316)	37,361	37,696	75,390	-134% YoY

General Performance

Sales of our oil & gas pipes and services were adversely affected by the slow recovery in the Oil & Gas Industry. Our Oil & Gas Division is poised for recovery in 2011 from its temporary set-back in the last few quarters

On subsidiaries

NAGA 1 contract extension

- NAGA 1 (semi-submersible rig), contract with PETRONAS Carigali Sdn Bhd was extended for another 5-year. The contract value is approximately USD250 million

NAGA 2 contract with HESS (Indonesia-Pangkah) Limited

- NAGA 2 has commenced work for the Pangkah WHP-B Development Drilling Programme in the Ujung Pangkah Field located in the Pangkah PSC-Offshore, East Java, at a total contract value of approximately USD183.12 million.

Arabian Drilling Services

- Our onshore drilling operations in Oman has successfully secured two contracts with Petroleum Development Oman, for the provision of onshore drilling services in Lekhwair, Oman through our Ghazal III and Ghazal IV. The contracts secured are for 4+1+1years

On associates

First shipment by USTPL

- United Seamless Tubular Private Limited (USTPL) has successfully made its first shipment of 200 metric tonnes of 9 5/8" seamless pipes to Oil Country Tubular Limited, India.

WSP

- WSP has been successful in securing new customers in international markets, consequent to which sales have shown improvement. However, margins have eroded due to excess supplier in the domestic China market.
- Profitability has also been affected by the imposition of countervailing and anti-dumping duties on seamless pipes made in China by the United States. The company is continuing to pursue new export opportunities to broaden its customer base and to achieve improvement in overall margins.

Prospects for 4Q10

NAGA 3 to be deployed

- UMW has taken delivery of NAGA 3 and is now in active negotiations with potential clients

Hilong Group

- UMW China Ventures (L) Ltd ("UMWCV"), a wholly-owned subsidiary of UMW Petropipe (L) Ltd, had entered into agreements with several companies within the Hilong Group, to enable UMWCV to subscribe for 46,700 Preferred Shares of Hilong Holding Limited. The Hilong Group is in the business of special steel manufacture, petroleum drilling tools manufacture, coating materials, coating and anti-corrosion and oil services.

UMW HOLDINGS BERHAD

Consolidated Balance Sheet

	Sep 2010 RM'000	Jun 2010 RM'000	Dec 2009 RM'000	Dec 2008 RM'000
Investment In Associates	1,559,957	1,533,463	1,453,676	1,468,121
Property, Plant & Equipment	2,799,760	2,923,323	2,780,553	1,792,362
Deposits, Cash & Bank Balances	1,822,946	2,046,585	1,733,290	1,537,802
Inventories	1,424,064	1,334,953	1,303,573	1,453,830
TOTAL ASSETS	9,630,868	9,715,760	8,825,696	7,828,041
Long Term Liabilities	1,846,161	1,926,755	1,850,598	719,517
Short Term Borrowings (include ODs)	451,121	458,257	294,144	527,954
TOTAL EQUITY	5,277,707	5,352,533	4,919,768	4,605,420
Net Assets Per Share (RM)	3.59	3.62	3.37	3.23

AAA rated

Issued RM610 million of ICP/IMTN, UMW rated AAA

- UMW issued RM500 million Islamic Medium Term Notes (IMTN) and RM110 million Islamic Commercial Papers/Islamic Medium Term Notes (ICP/IMTN) with a tenure of 5 years each.
 - Can issue another RM190 million (total facility approved is RM800 million of IMTN and ICP/IMTN with tenure up to 10 years)
 - No collateral or security pledged for ICP/IMTN Programme
- In June 2010, Malaysian Rating Corporation Berhad has reviewed and affirmed its 'AAA' Corporate Credit Rating

Strong balance sheet

Sizable investments is now largely completed

- Increased 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 RM3.59



THANK YOU

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