

UMW HOLDINGS BERHAD

(COMPANY NO. 090278-P)
(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
THIRD QUARTER ENDED 30TH SEPTEMBER 2010
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT QUARTER ENDED 30/09/2010 RM'000	COMPARATIVE QUARTER ENDED 30/09/2009 RM'000	9 MONTHS CUMULATIVE TO DATE 30/09/2010 RM'000	COMPARATIVE 9 MONTHS CUMULATIVE TO DATE 30/09/2009 RM'000
<u>Continuing Operations</u>				
Revenue	3,087,276	2,797,651	9,402,508	7,728,523
Operating Expenses	(2,838,411)	(2,582,758)	(8,597,327)	(7,287,916)
Other Operating Income	47,987	25,422	166,538	71,805
Profit From Operations	296,852	240,315	971,719	512,412
Finance Costs	(10,050)	(2,770)	(36,252)	(28,930)
Share Of Profits Of Associated Companies	40,927	43,010	120,515	89,999
Investment Income	13,193	7,619	32,300	23,898
Profit Before Taxation	340,922	288,174	1,088,282	597,379
Taxation	(78,723)	(63,157)	(250,821)	(130,816)
Profit For The Period	262,199	225,017	837,461	466,563
<u>Other Comprehensive Income:</u>				
Translation Of Foreign Operations	(79,245)	4,954	(80,707)	10,519
Net Asset Accretion From Share Issue Of A Jointly- Controlled Company	-	-	-	2,468
Cash Flow Hedge	562	-	1,128	-
Other Comprehensive Income Net Of Tax	(78,683)	4,954	(79,579)	12,987
Total Comprehensive Income For The Period	183,516	229,971	757,882	479,550
<u>Profit For The Period Attributable To:</u>				
Owners Of The Company	149,394	125,938	493,947	271,327
Non-Controlling Interests	112,805	99,079	343,514	195,236
	262,199	225,017	837,461	466,563
<u>Total Comprehensive Income Attributable To:</u>				
Owners Of The Company	68,926	129,429	412,839	281,033
Non-Controlling Interests	114,590	100,542	345,043	198,517
	183,516	229,971	757,882	479,550
<u>EPS Attributable To Owners Of The Company:</u>				
Basic EPS For The Period (Sen)	13.17	11.45	43.55	24.67
Diluted EPS For The Period (Sen)	13.11	11.35	43.36	24.46

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 31st December 2009)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/09/2010 RM'000	(AUDITED) AS AT 31/12/2009 (RESTATED) RM'000
ASSETS		
Non-Current Assets		
Investment In Associates	1,559,957	1,453,676
Investment Properties	1,655	1,714
Property, Plant And Equipment	2,799,760	2,780,553
Prepaid Land Lease Payments	17,688	20,333
Leased Assets	180,355	169,940
Deferred Tax Assets	29,667	26,733
Derivatives Assets	49,158	-
Intangible Assets	288,883	241,498
Other Financial Assets	415,860	193,580
	5,342,983	4,888,027
Current Assets		
Deposits, Cash And Bank Balances	1,822,946	1,733,290
Trade Receivables	723,912	641,881
Other Receivables	307,025	255,390
Derivatives Assets	6,403	-
Inventories	1,424,064	1,303,573
	4,284,350	3,934,134
Non-Current Assets Held For Sale	3,535	3,535
	4,287,885	3,937,669
	9,630,868	8,825,696
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share Capital	574,133	559,658
Share Premium	668,158	542,045
Capital Reserve	7,375	5,793
Foreign Exchange Reserve	(41,152)	42,666
Share Option Reserve	41,038	41,038
Cash Flow Hedge Reserve	927	-
Retained Profits	2,876,326	2,582,659
	4,126,805	3,773,859
Non-Controlling Interests	1,150,902	1,145,909
	5,277,707	4,919,768
Non-Current Liabilities		
Long Term Liabilities	1,846,161	1,850,598
Provision For Liabilities	59,520	65,488
Deferred Tax Liabilities	19,578	22,107
Derivatives Liabilities	24,973	-
	1,950,232	1,938,193
Current Liabilities		
Bank Overdrafts	89,401	34,270
Short Term Borrowings	361,720	259,874
Trade Payables	900,566	761,598
Other Payables	712,791	719,874
Derivatives Liabilities	12,263	-
Provision For Liabilities	39,811	64,183
Taxation	171,606	71,732
Dividend Payable	114,771	56,204
	2,402,929	1,967,735
	4,353,161	3,905,928
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES		
	9,630,868	8,825,696
Net Assets Per Share (RM)	3.5939	3.3716

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 31st December 2009)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30TH SEPTEMBER 2010**

	9 MONTHS ENDED 30/09/2010 RM'000	9 MONTHS ENDED 30/09/2009 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	1,088,282	597,379
Adjustments For:		
Non-Cash Items	55,157	84,858
Non-Operating Items	(32,299)	(21,214)
Operating Profit Before Working Capital Changes	1,111,140	661,023
Changes In Working Capital:		
Net Change In Current Assets	(277,399)	170,761
Net Change In Current Liabilities	(88,207)	(250,485)
Net Cash Generated From Operating Activities	745,534	581,299
Cash Flow From Investing Activities		
Net Cash Outflow Arising From Equity Investments	(50,557)	(134,152)
Dividends Received	24,072	113,238
(Purchase)/Disposal Of Fixed Assets (Net)	(339,569)	(414,281)
Interest Income	31,222	23,134
Other Investments	(220,903)	(143,226)
Net Cash Used In Investing Activities	(555,735)	(555,287)
Cash Flow From Financing Activities		
Proceeds From Issue Of Shares	140,588	94,064
Dividends Paid	(492,010)	(429,812)
Bank Borrowings (Net)	219,314	679,042
Net Cash (Used In)/Generated From Financing Activities	(132,108)	343,294
Net Increase In Cash And Cash Equivalents	57,691	369,306
Cash And Cash Equivalents As At 1st January	1,699,020	1,519,699
Effects Of Exchange Rate Changes	(23,166)	10,519
Cash And Cash Equivalents As At 30th September	1,733,545	1,899,524

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 31st December 2009)

Note 1 - Accounting Policies

The interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9, Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Group has adopted all new and revised Financial Reporting Standards ("FRSs"), Issues Committee Interpretations ("IC Interpretations") and Amendments applicable to the Group as at 1st January 2010:

The significant accounting policies and methods of computation in the interim financial statements are consistent with those in the annual audited financial statements for the year ended 31st December 2009 except for changes in presentation and disclosures, methods of computation and accounting policies resulting from the adoption of the following:

- (a) FRS 7, Financial Instruments: Disclosures;
- (b) FRS 8, Operating Segments;
- (c) FRS 101(revised), Presentation of Financial Statement;
- (d) FRS 139, Financial Instruments: Recognition and Measurement;
- (e) IC Interpretation 9, Reassessment of Embedded Derivatives;
- (f) IC Interpretation 10, Impairment and Interim Financial Reporting;
- (g) Amendment to FRS 117, Leases.

Changes resulting from the adoption of the above-stated new and revised FRSs, IC Interpretations and Amendments were disclosed in the Interim Financial Statements for the first quarter ended 31st March 2010.

The effects on the comparatives in the Condensed Consolidated Statement of Comprehensive Income for the current quarter and nine months ended 30th September 2010 on adoption of FRS 101 are as follows:

	Quarter Ended 30th September 2009 RM'000	9 Months Ended 30th September 2009 RM'000
Profit for the period as previously stated	225,017	466,563
Other comprehensive income:		
Translation of Foreign Operations	4,954	10,519
Net asset accretion arising from the share issue of a jointly-controlled entity	-	2,468
Total comprehensive income	229,971	479,550
Total comprehensive income attributable to:		
Owners of the parent	129,429	281,033
Non-controlling interests	100,542	198,517
	229,971	479,550

The following are effects arising from the adoption of FRS139 by the Group:

Statements of financial position	Increase / (Decrease)	
	As at 30th September 2010 RM'000	As at 1st January 2010 RM'000
Investment in associates	6,226	23,875
Trade receivables	-	632
Other receivables	430	2,240
Derivative assets	48,889	6,672
Derivative liabilities	18,067	19,169
Other payables - financial guarantee	987	3,278
Retained earnings	39,964	17,102
Cash flow hedge reserve	(1,128)	201
Non-controlling interests	(4,602)	(6,130)

Other than the above, the rest of the new and revised FRSs, IC Interpretations and Amendments do not have material impact on the accounting policies, financial position or performance of the Group for the current period under review.

Note 2 - Seasonal or Cyclical Factors

The Group is principally engaged in:

- (a) import, assembly and marketing of passenger and commercial vehicles and related spares and manufacturing of original/replacement automotive parts;
- (b) trading and manufacturing of a wide range of light and heavy equipment including related spares for use in the industrial, construction, mining and agricultural sectors; and
- (c) manufacturing and trading of oil pipes and providing various oil and gas services including drilling and pipe-coating.

The Group's products and services are generally dependent on the Malaysian and global economies, consumer demand and market sentiment.

Note 3 - Exceptional Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows except as disclosed in Note 1 above.

Note 4 - Accounting Estimates

There were no changes in estimates of amounts reported in the prior interim period of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

Note 5 - Issuance or Repayment of Debt and Equity Securities

There were no issuances and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 30th September 2010.

During the quarter ended 30th September 2010, the issued and paid-up capital of the Company increased from RM568,644,966 to RM574,132,966 as a result of the exercise and allotment of:

- (a) 294,300 option shares of par value RM0.50 each at RM3.335 per share;
- (b) 607,400 option shares of par value RM0.50 each at RM3.33 per share;
- (c) 74,100 option shares of par value RM0.50 each at RM3.325 per share;
- (d) 6,032,100 option shares of par value RM0.50 each at RM4.93 per share; and
- (e) 3,968,100 option shares of par value RM0.50 each at RM5.16 per share.

As at 30th September 2010, the total number of unexercised share options was 19,994,000 option shares of par value RM0.50 each.

At the date of this report, 2,699,200 option shares were exercised and allotted subsequent to 30th September 2010. The paid-up capital of the Company increased to RM575,482,566 after taking into account these new shares.

Note 6 - Dividends Paid

- (a) A second interim single-tier dividend of 10% or 5.0 sen per share of RM0.50 each (2009 - 20% or 10.0 sen per share of RM0.50 sen each less 25% income tax) amounting to a net dividend of RM56.2 million (2009 - RM82.1 million) for the financial year ended 31st December 2009, was paid on 18th February 2010.
- (b) A final single-tier dividend of 18% or 9.0 sen per share of RM0.50 each (2009 - 6.5% or 3.25 sen per share of RM0.50 each less 25% income tax and a single-tier dividend of 17.5% or 8.75 sen per share of RM0.50 sen) amounting to a net dividend of RM102.6 million (2009 - RM123.5 million) for the financial year ended 31st December 2009, was paid on 10th August 2010

Note 7 - Segmental Reporting

	Nine Months Ended 30 th September 2010		
	Revenue RM'000	Profit Before Taxation RM'000	Profit Attributable to Owners of the Company RM'000
Business Segment			
Automotive	7,330,858	1,048,439	485,383
Equipment	1,166,625	105,566	80,398
Oil & Gas	455,759	(51,353)	(47,909)
Manufacturing & Engineering	456,916	42,732	22,007
Others	53,914	(57,102)	(45,932)
Sub-Total	9,464,072	1,088,282	493,947
Elimination of Inter-Segment Sales	(61,564)	-	
Consolidated Total	9,402,508	1,088,282	

Note 8 - Subsequent Material Events

In the opinion of the Directors, there was no material event or transaction during the period from 30th September 2010 to the date of this announcement, which affects substantially the results of the operations of the Group for the period ended 30th September 2010 in respect of which this announcement is made.

Note 9 - Changes in Composition/Group

There were no changes in the composition of the Group during the quarter ended 30th September 2010.

Note 10 - Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group have increased from RM283 million to RM331 million since 31st December 2009.

Note 11 - Commitments

These are in respect of capital commitments:

	RM'000	RM'000
Approved and contracted for:		
Land and buildings	170,515	
Equipment, plant and machinery	227,238	
Others	19,104	416,857
	<hr/>	
Approved but not contracted for:		
Land and buildings	51,201	
Equipment, plant and machinery	204,467	
Others	17,027	272,695
	<hr/>	<hr/>
Total		<u>689,552</u>

Note 12 - Significant Related Party Transactions

No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
1.	UMW Advantech Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods	24,568
2.	KYB-UMW Malaysia Sdn. Bhd. and its subsidiary	Perodua Group	Associated Company	Sale of Goods	58,789
3.	UMW Toyota Motor Sdn. Bhd. and its subsidiaries	Perodua Group	Associated Company	Sale of Goods and Services	189,452
				Purchase of Goods and Services	233,607
	UMW & Its	Transacting		Nature of	

No.	Subsidiaries	Parties	Relationship	Transaction	RM'000
4.	UMW Industrial Power Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	10,217
5.	UMW Industries (1985) Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	4,530
6.	U-TravelWide Sdn. Bhd.	Perodua Group	Associated Company	Sale of Services	4,033
7.	UMW Toyota Motor Sdn. Bhd.	UMW Toyotsu Motors Sdn. Bhd.	Associated Company	Sale of Goods and Services	119,686
8.	UMW Toyota Motor Sdn. Bhd. and its subsidiaries	Toyota Motor Corporation, Japan and its subsidiaries	Corporate Shareholders of UMW Toyota Motor Sdn. Bhd.	Sale of Goods and Services Purchase of Goods and Services	736,351 1,766,578
9.	KYB-UMW Malaysia Sdn. Bhd.	Kayaba Industry Co., Ltd., Japan and its subsidiaries	Corporate Shareholders of KYB-UMW Malaysia Sdn. Bhd.	Sale of Goods and Services Purchase of Assets	15,997 5,980
		Toyota Tsusho (Malaysia) Sdn. Bhd.	Corporate Shareholder of KYB-UMW Malaysia Sdn. Bhd.	Sale of Goods and Services Purchase of Goods and Services	235 35,265
10.	Lubetech Sdn. Bhd.	UMW Pennzoil Distributors Sdn. Bhd.	Associated Company	Sale of Goods and Services Purchase of Services	73,799 434
11.	UMW JDC Drilling Sdn. Bhd.	Japan Drilling Co., Ltd. and its subsidiaries	Corporate Shareholders of UMW JDC Drilling Sdn. Bhd.	Purchase of Goods and Services Bare Boat Charter	11,060 16,672

Note 13 - Review of Performance

Group revenue of RM3,087.3 million for the third quarter ended 30th September 2010 surpassed the RM2,797.7 million achieved in the preceding year's corresponding quarter by RM289.6 million or 10.4%. Strong consumer and business confidence continued to generate demand for our Toyota vehicles, heavy and industrial equipment as well as automotive parts.

Group profit before taxation for the third quarter ended 30th September 2010 of RM340.9 million exceeded the RM288.2 million registered in the same quarter of 2009 by 18.3%, an increase of

RM52.7 million. Higher sales of our products and services by most of our business segments and favourable foreign exchange rates accounted for the profit improvement for the quarter ended 30th September 2010.

As a result, net profit attributable to the owners of the Company for the third quarter of 2010 increased from RM125.9 million registered in the same quarter of 2009 to RM149.4 million, an increase of RM23.5 million or 18.7%.

Group revenue of RM9,402.5 million for the nine months ended 30th September 2010 improved over the RM7,728.5 million recorded in the same period of 2009 by RM1,674.0 million or 21.7%. Strong economic recovery, particularly in the first six months of 2010, resulted in higher demand for our Toyota vehicles, industrial and heavy equipment as well as automotive parts. However, sales of our oil & gas pipes and services were adversely affected by the slow recovery in the Oil and Gas industry.

Group profit before taxation for the nine months ended 30th September 2010 of RM1,088.3 million outperformed the RM597.4 million achieved in the same period of 2009 by 82.2%, an increase of RM490.9 million. Higher revenue from most of our core business segments, improved margins from favourable foreign exchange rates and model mix contributed to the profit surge. However, the antidumping and countervailing duties imposed by the United States on OCTG pipes imported from China continued to adversely affect the performance of our overseas associate, WSP Holdings Limited. Negative contribution from Naga 2 also contributed to the loss registered by the Oil & Gas segment.

Net profit attributable to the owners of the Company of RM493.9 million for the nine months ended 30th September 2010 was significantly higher than the RM271.3 million achieved in the same period of 2009, an increase of RM222.6 million or 82.1%.

Total Toyota and Perodua vehicle sales of 212,732 units represented 46.9% of the total industry volume of 453,249 units reported by the Malaysian Automotive Association for the nine months ended 30th September 2010.

Note 14 - Comparison with Preceding Quarter's Results

Group revenue of RM3,087.3 million for the third quarter ended 30th September 2010 was lower than the RM3,282.1 million registered for the second quarter of 2010 by RM194.8 million or 5.9%. Sale of Toyota vehicles and automotive parts declined due to shorter trading periods in the third quarter of 2010 as a result of the long Hari Raya Aidilfitri festival break.

Consequently, Group profit before taxation of RM340.9 million for the third quarter ended 30th September 2010 was RM101.4 million or 22.9% lower than the RM442.3 million recorded in the second quarter of 2010. A dip in the sales of both Toyota and Perodua vehicles mainly accounted for the reduction in profit.

Note 15 - Current Prospects

- (a) As expected, growth in the global economy has moderated in the third quarter with advanced economies registering a slower growth momentum than the developing and emerging economies. Nevertheless, the recovery is likely to continue into the fourth quarter of 2010, albeit at a slower pace.

It is anticipated that vehicle sales will ease very slightly in the fourth quarter of 2010, as some customers may defer purchases to next year to gain better resale value and to cash-

in on the full excise duty exemptions on hybrid cars which takes effect from 1st January 2011. We expect to close the year with both Toyota and Perodua exceeding their internal targets of 88,000 units and 176,000 units, respectively.

In line with the positive outlook for the automotive industry, our Manufacturing & Engineering segment is expected to continue to perform well in the remaining months of the year.

The performance of our Oil and Gas segment is expected to improve in the fourth quarter of 2010 in view of the following:

- our premium jack-up rig, Naga 2, was mobilised to Ujang Pangkah Field in Indonesia on 8th September 2010, under a drilling contract with an estimated value of USD183 million over a period of 1,355 days.
- we took delivery of Naga 3, another premium jack-up rig, in September 2010 and UMW is currently in active negotiations with potential clients.
- United Seamless Tubular Private Limited's new OCTG plant in India has commenced commercial production of seamless tubular green pipes. The first shipment of 200MT of 9 5/8" seamless pipes was delivered on 25th August 2010.
- 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 supply in the domestic China market. The company is continuing to pursue new export opportunities to broaden its customer base and to achieve improvement in overall margins.

Demand for heavy and industrial equipment is expected to be maintained in the fourth quarter of 2010 in view of the following:

- strong domestic economic activities in countries where UMW has presence.
- high level of activities in the construction, quarry and mining sectors with the implementation of the various stimulus packages by the Malaysian Government.

- (b) The Board is confident that the Group's internal annual performance targets set for the year 2010 are achievable. ■

Note 16 - Statement on Headline Key Performance Indicators

Based on internal key financial indicators and the current economic outlook for the remaining quarter to 31st December 2010, the Board of Directors is confident that the 2010 Headline Key Performance Indicators as stated below are achievable:

- (a) Minimum annual return on shareholders' funds of 10%; and
- (b) Annual dividend payout ratio of at least 50% of net profit attributable to shareholders after excluding unrealised profits.

Note 17 - Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

Note 18 - Taxation

	Quarter Ended 30th September 2010 RM'000	Nine Months Ended 30th September 2010 RM'000
Current period's provision	81,330	256,284
Add/(Less): Under/(Over) provision in prior periods	-	-
Deferred taxation	81,330 (2,607)	256,284 (5,463)
Total	78,723	250,821

The effective tax rate for the current quarter and nine months ended 30th September 2010 were 26.2% and 25.9%, respectively. The effective tax rates were slightly higher than the statutory tax rate of 25% primarily due to:

- (a) certain expenses were not allowable for tax purposes; and
- (b) higher tax rates for certain overseas subsidiaries.

Note 19 - Profit on Sales of Investment and/or Properties

There was no sale of unquoted investment or properties during the current quarter and nine-month period ended 30th September 2010.

Note 20 - Purchase or Disposal of Quoted Securities

- (a) Total purchase consideration and sale proceeds of quoted investment and profit/loss arising from the sale therefrom were as follows:

	Quarter Ended 30th September 2010 RM'000	Nine Months Ended 30th September 2010 RM'000
Total purchases	171,072	326,028
Total sale proceeds	157,702	182,803
Total gain arising from sale	171	181

- (b) Quoted investments as at 30th September 2010 were as follows:

	Quoted Outside Malaysia RM'000	Quoted Within Malaysia RM'000
At cost	50,705	284,638
Provision for accretion/diminution	1,006	57
At net book value	51,711	284,695
Market value as at 30 th September 2010	51,711	284,695

The investment in shares quoted outside Malaysia is in respect of the Group's investment in a company listed on the Bombay Stock Exchange and the National Stock Exchange in India. This strategic investment is intended to be held on a long term basis.

Note 21 - Corporate Proposals

There were no corporate proposals announced but not completed at the date of this announcement.

Note 22 - Group Borrowings and Debt Securities

	RM'000	RM'000	'000
(a) Short term borrowings			
- Unsecured			
Short term loans and trade facilities	321,295		USD32,166 SGD8,014 INR550,437
Finance lease payable	106		
Portion of long term loans payable within 12 months	33,316		USD8,549 KINA2,188
		354,717	
- Secured			
Short term loans and trade facilities	5,807		AUD1,454 INR21,325
Finance lease payable	946		SGD367 AUD28
Portion of long term loans payable within 12 months	250		SGD107
		7,003	
Total		361,720	USD40,715 SGD8,488 AUD1,482 KINA2,188 INR571,762
(b) Long term borrowings			
- Unsecured			
Long term loans	1,603,680		USD343,428 INR102,373 KINA4,600
Finance lease payable	431		
Portion of long term loans payable within 12 months	(33,316)		(USD8,549) (KINA2,188)
		1,570,795	
- Secured			
Long term loans	275,206		USD25,885 AUD9,541 SGD982 INR2,395,207
Finance lease payable	410		AUD71 SGD84
Portion of long term loans payable within 12 months	(250)		(SGD107)
		275,366	
Total		1,846,161	USD360,764 AUD9,612 SGD959 INR2,497,580 KINA2,413

Note 23 - Financial Instruments

(a) Outstanding derivatives as at 30th September 2010

Derivatives	Notional Value RM'000	Fair Value RM'000	Maturity
Interest Rate Swaps	127,401	113,757	1 year to 3 years
Interest Rate Swaps	72,586	61,257	More than 3 years
Cross Currency Swaps	442,479	483,389	1 year to 3 years
Cross Currency Swaps	48,268	56,513	More than 3 years
Foreign Currency Forward Contracts	605,860	594,894	Less than 1 year
Embedded Derivatives	344,644	339,394	Less than 1 year

During the nine months ended 30th September 2010, there were no significant changes to the Group's exposures to credit risk, market risk and liquidity risk since the last financial year. In addition, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

(b) Description of the nature of all outstanding derivatives as at 30th September 2010

- (i) An interest rate swap with a notional principal of USD48 million that fixed the obligation of a jointly-controlled entity in India to pay interest at a fixed rate of 7.04% per annum. The interest rate swap will mature on 30th September 2015.
- (ii) An interest rate swap with a notional principal of USD20 million that fixed the obligation of a jointly-controlled entity in India to pay interest at a fixed rate of 9.05% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 31st October 2012.
- (iii) An interest rate swap with a notional principal of USD10 million that fixed the obligation of a jointly-controlled entity in India to pay interest at a fixed rate of 10.41% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 4th November 2013.
- (iv) A cross currency swap that entitles a jointly-controlled entity in India to convert JPY3,425 million to INR1,405.6 million and fixed the entity's obligation to pay interest at a fixed rate of 9.35% per annum. The cross currency swap will mature on 31st March 2020.
- (v) A cross currency swap that entitles the Company to convert RM500 million to USD143.3 million and swaps the Company's obligation to pay interest at a fixed rate of 4.55% per annum to a USD floating rate. The cross currency swap will mature on 15th September 2014.
- (vi) An interest rate swap with a notional principal of USD143.3 million that fixed the obligation of the Company to pay interest at a fixed rate of 3.96% per annum. The interest rate swap will mature on 14th September 2014.
- (vii) An interest rate swap with a notional principal of USD15 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 7.1% per annum with embedded options that provide protection on USD/INR rate within a specified

- range on the principal repayment. The interest rate swap will mature on 14th July 2014.
- (viii) An interest rate swap with a notional principal of USD3.25 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 6.8% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 31st July 2014.
- (ix) An interest rate swap with a notional principal of USD2 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 9.45% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 15th June 2015.
- (x) An interest rate swap with a notional principal of USD7 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 7.2% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 31st July 2014.
- (xi) An interest rate swap with a notional principal of USD4 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 5.15% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 31st July 2014.
- (xii) An interest rate swap with a notional principal of USD2.26 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 9.55% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 4th August 2015.
- (xiii) Foreign currency forward contracts

Currency	Contract Amounts '000	Equivalent Amount in RM'000	Expiry Dates
Japanese Yen	1,712,565	62,715	08/10/2010 - 31/03/2011
United States Dollar	165,206	525,876	01/10/2010 - 25/03/2011
Euro	2,402	9,809	15/10/2010 - 04/03/2011
Swedish Krone	14,557	6,273	15/10/2010 - 31/01/2011
Thai Baht	41,606	4,201	08/10/2010 - 15/10/2010

The above contracts were entered into with a view to minimise the entity's exposure to losses resulting from adverse fluctuations in interest rates and foreign currency exchange rates on the existing bank loans, trade receivables and trade payable.

Note 24 - Material Litigation

There was no material litigation pending on the date of this announcement.

Note 25 - Dividend

The Board is pleased to declare a second interim single-tier dividend of 27% or 13.5 sen (2009 - 10% or 5.0 sen) per share of RM0.50 each, amounting to a net dividend payable of

approximately RM156.6 million (2009 - RM56.2 million) for the year ending 31st December 2010, to be paid on 11th February 2011.

Note 26 - Earnings Per Share

Basic earnings per share for the quarter and nine months ended 30th September 2010 are calculated by dividing the net profit attributable to shareholders of RM149,394,000 and RM493,947,000, respectively, by the weighted average number of ordinary shares in issue as at 30th September 2010 of 1,134,207,330 shares of RM0.50 each.

Diluted earnings per share for the current quarter and nine months ended 30th September 2010 are calculated by dividing the adjusted net profit attributable to shareholders of RM149,394,000 and RM493,947,000, respectively, by the adjusted weighted average number of ordinary shares in issue and issuable of 1,139,185,401 shares of RM0.50 each.

	No. of Shares of RM0.50 Each
Weighted average number of shares as at 30/09/2010	1,134,207,330
Add: Dilutive ESOS	4,978,071
Adjusted weighted average number of shares	1,139,185,401

Note 27 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31st December 2009 was not qualified.

By Order Of The Board

SUSEELA MENON
Secretary
(MAICSA 7028386)

Shah Alam
22nd November 2010