

UMW ACHIEVES PRETAX PROFIT OF RM185M IN 2Q09

EXECUTIVE SUMMARY

2Q09 financial highlights

- Group PBT improved 50% QoQ to RM185 million after a challenging 1Q09
- Much higher QoQ profits at Automotive, Oil & Gas Divisions
- Balance sheet remained strong, cash at RM1.4 billion
- Positive net cash generated from operating activities

2Q09 operational highlights

- Automotive Division's YTD market share of 46%
- UMW Toyota's Vios extended its No.1 position in its segment
- Perodua increased market share, YTD at 31%
- Perodua car scrapping programme is well received
- Zhongyou BSS plant in China officially opened by Malaysia's Prime Minister Datuk Seri Najib Tun Razak. The plant has already commenced production of LSAW pipes

For the rest of FY09

- Automotive Division aiming to improve its market share
 - New Perodua MPV and improved Toyota Camry in 2H09
- Oil & Gas Division to step up contribution to Group's profits
 - Zhongyou BSS to increase production of LSAW pipes
 - NAGA 2 contract and strategic options being explored
- To successfully implement investment initiatives
 - United Seamless Tubulaar Private Limited to complete construction of its new seamless pipe plant in India by year-end

Dividend payment and policy

- To maintain dividend payout policy of 50% of our net profit despite challenging year
- Interim single-tier dividend of 6 sen to be paid on 7 Oct 2009



After a challenging 1Q09, we experienced improvement in the 2Q09. We are of the view that the prevailing improved business environment is sustainable for the remaining part of 2009, barring any unforeseen significant external developments.

We have implemented many proactive measures and capitalised on the improved business conditions. I am pleased to report that our Business Divisions have contributed a much improved financial performance in the 2Q09. For more details and updates, please see the following pages.

Also, do feel free to contact us if you have any further queries. Thank you for your interest/investment in UMW.

Dato' Abdul Halim Harun,
President and Group CEO
UMW Holdings Berhad

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Group Income Statement

	2Q09 RM'000	1Q09 RM'000	2Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 2Q
Revenue	2,581,069	2,349,803	3,568,164	12,769,581	9,976,151	+10% QoQ
Profit From Operations	181,480	90,617	306,828	1,073,651	630,268	+100% QoQ
Associated Companies	12,623	34,366	45,566	199,822	207,506	-63% QoQ
Profit Before Taxation	185,468	123,737	354,998	1,276,685	856,276	+50% QoQ
Net Profit Attributable To Shareholders	79,431	65,958	151,724	565,838	469,147	+20% QoQ

Group profit level improved

Improved QoQ profit level

- General operating conditions have improved in 2Q09 when compared to the challenging conditions in 1Q09
- Profit levels are lower YoY (2008 was an all-time high) but more importantly, have improved significantly QoQ

Lower QoQ contributions by associated companies

- Perusahaan Otomobil Kedua Sdn Bhd made much improved financial contribution, detailed analysis in the following pages. However, overall contribution by associates was lower due to more moderate contribution by WSP Holdings Limited and unrealised translation losses arising from Japanese Yen borrowings at Toyota Capital Malaysia Sdn Bhd

Prospects for 2H2009

Automotive division positioned for consumers' shifting preferences

- Toyota Vios J for fuel-efficient, cost conscious buyers. Vios TRD Sportivo for the sport-performance oriented buyers
- Toyota Prius, the world's preeminent hybrid car, launched in 3Q09. Targeted at environmentally-conscious consumers
- Toyota Camry facelift to be launched in 3Q09, targeted at executives and corporate buyers, as economy improves
- Perodua enhanced, broadened Viva – affordable 660 replaced Kancil and Viva Elite enhanced its appeal and features
- Perodua to gain market share in national MPV segment with its brand new model in 4Q09

Oil & Gas division expects improved financial performance

- Zhongyou BSS to raise output of Longitudinal Submerged Arc Welded (LSAW) for 2nd West-East Gas Pipeline Project
- Our new ultra-premium jack-up rig, NAGA 2, is ready for deployment. New contract and strategic options being explored

To benefit from cost-saving measures but to invest for the future

- To make good value investment in order to enhance our future competitiveness and revenue-generation capabilities
- Being mindful to balance cost-reduction initiatives, cash preservation measures and the need to invest for the future

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Segment Results & Share Of Profits From Associated Companies

	2Q09* RM'000	1Q09 RM'000	2Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 2Q
Segment Results + Profit Of Associates	200,709	130,603	368,257	1,350,239	861,002	+154% QoQ
Automotive	143,414	86,137	316,524	1,114,930	606,711	+166% QoQ
Equipment	22,627	22,772	39,331	152,666	138,208	+99% QoQ
Manufacturing & Engineering	3,595	2,697	2,112	27,957	25,909	+133% QoQ
Oil & Gas	34,891	26,310	22,789	110,977	114,657	+133% QoQ

Segmental results

Notable associated companies

- The above table illustrates results after taking into account profit contributions from our Associated Companies. Notable companies are
 - Perusahaan Otomobil Kedua Sdn Bhd in Automotive segment
 - WSP Holdings Limited and Zhongyou BSS (Qinhuangdao) Petropipe Co Ltd in Oil & Gas segment

* Earlier version was 1H09 instead of 2Q09 data
Any inconvenience caused is regrettable

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting

	2Q09 RM'000	1Q09 RM'000	2Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 2Q
Revenue	2,023,888	1,721,254	2,870,748	10,031,823	7,738,505	+18% QoQ
Profit From Operations	127,826	73,338	291,292	1,002,020	487,064	+74% QoQ

Company (equity interest)	UMW Toyota Motor Sdn Bhd (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn Bhd (38% associated company)
Vehicle sales	<p>Improved QoQ</p> <ul style="list-style-type: none"> YTD sales declined 29% to 37,577 units. Traditionally, 1Q is a relatively slower quarter QoQ, sales volume improved 17% in 2Q09 Toyota Vios is the most popular model, accounted for 36% of total sales Launched Vios TRD Sportivo variant in June 2009 to broaden appeal to sports-performance-oriented buyers 	<p>Outperformed TIV and improved QoQ</p> <ul style="list-style-type: none"> YTD sales declined 8% to 77,046 units but Perodua outperformed TIV (which contracted 10%), QoQ +1% Sales momentum of Viva and Myvi remained strong. Combined, they accounted for 94% of total sales Perodua received and processed more than 4,000 applications under Car Scrapping Programme. More than 70% opted for Myvi
Market share of TIV	<p>Improved from 1Q09</p> <ul style="list-style-type: none"> YTD 2Q09 market share of TIV improved to 15.0% from 1Q09's 14.6%. UMWT's share is well above the nearest non-national rival (which has 8% of TIV) Vios extended its No.1 position in its highly competitive market segment in 2Q09 	<p>Increased from 2008</p> <ul style="list-style-type: none"> YTD market share of TIV increased to 30.7% from FY08 of 30.5% Consumers showed preference for fuel-efficient, value-for-money and affordable vehicles
2Q09 profitability	<p>Improved QoQ</p> <ul style="list-style-type: none"> YoY, adversely affected by lower sales volume and less favourable exchange rate (we hedge forward up to 3 months for all currency requirements) QoQ, improved profitability. Sales volume increased 17% while expenses had much smaller percentage increment 	<p>Improved QoQ</p> <ul style="list-style-type: none"> YoY, adversely affected by lower sales volume and less favourable exchange rate (imported components are denominated primarily in Japanese Yen) QoQ, improved profitability. Sales volume increased and manufacturing companies made higher contribution

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting



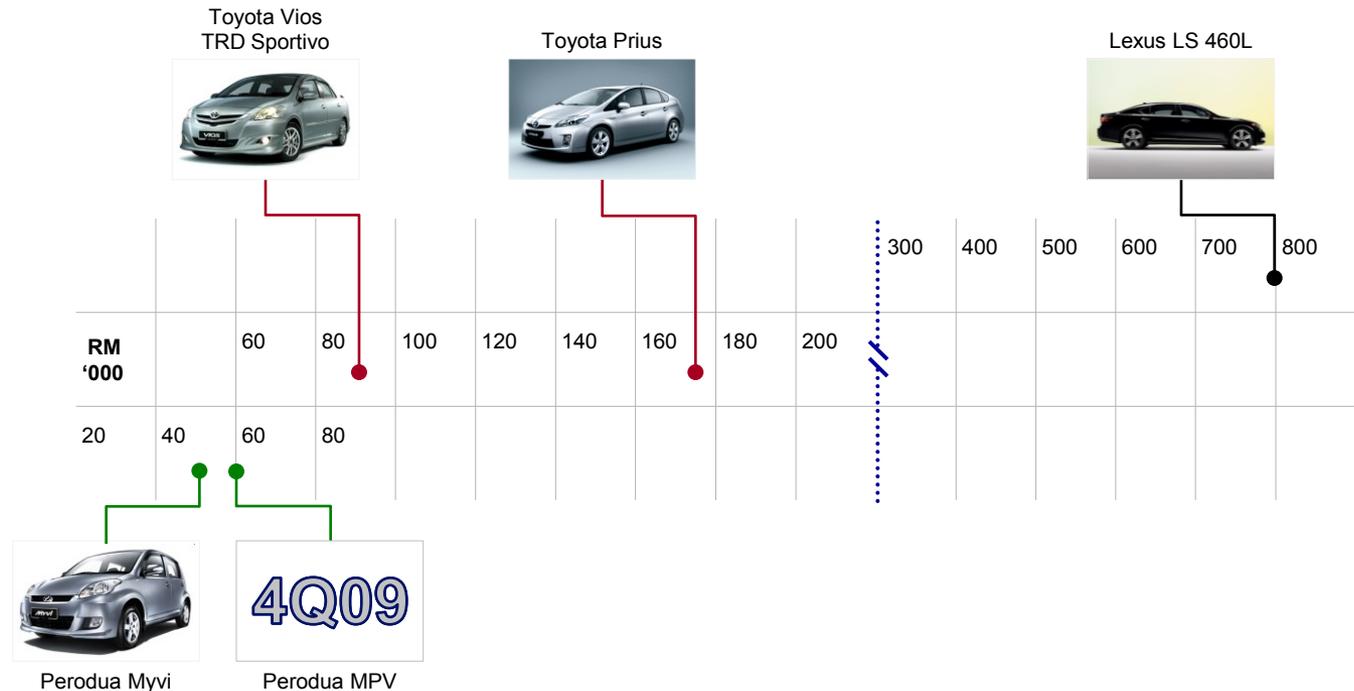
4 models
RM277-798k



12 models
RM62-183k



4 models
RM25-90k



Outlook and developments for 2H2009

Improved but competitive business environment

- Overall consumer sentiment and business environment have improved since the “low-point” in 1Q09
- Government’s stimulus packages and improved economic activities regionally to spur domestic growth
- Consumers have more choices with new models from our competitors. Greater incentives remained a possibility

Invest for the future

- Business-critical capital expenditure, such as plant upgrade, will continue to be implemented
- Continuing to invest in improving our outlets and facilities to serve our customers better

Strengthen our product portfolio

- Launched Toyota Prius and Toyota Vios TRD Sportivo in recent months
- Improved Toyota Camry is coming soon
- Perodua will launch its new MPV by 4Q09

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	2Q09 RM'000	1Q09 RM'000	2Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 2Q
Revenue	282,071	300,796	427,677	1,536,392	1,368,523	-6% QoQ
Profit From Operations	22,627	22,772	39,331	152,666	138,208	-1% QoQ

Heavy Equipment

Maintained market share

- Generally maintained respectable level of sales
- YTD, Komatsu maintained market share of more than 30% in important markets and segments

After-sales services and parts

- Komatsu's remote equipment and fleet monitoring system demonstrated to clients in East Malaysia, to enhance new machine's competitiveness and can also retrofit existing/suitable machines
- Increased proportion of revenue from after-sales-support, services and parts

Medium term prospects improved

- Sales of heavy equipment to property and construction sectors expected to improve
- Extensive array of equipment and local-regional network to support and capture the expected improved level of economic activities in 2010

Prospects for 2H2009

Equipment division expected to improve

- Unit sales are expected to improve in 2H2009. Meanwhile, parts and services and after-sales support to contribute to overall profit levels given our sizeable market share built-up over the years. Domestically, the Division should benefit from the pump-priming activities implemented by the Government (please see announcement). Improved sentiment of the property sector and uptick in construction-related activities will also enhance the Division's performance
- Overseas operations are expected to perform satisfactorily

Industrial Equipment

Dominant market share

- In Malaysia, Toyota forklifts have increased its commanding market share to well above 60% (by Japan Industrial Vehicles Association report)

Customised solutions

- Fleet Management Programme provides total solutions to customers' operational requirements. Our Fleet size has grown by 13% YoY
- Also work with finance companies to provide financing solutions for our customers
- Offer Forklift Operators Training to enhance skills and safety awareness of operating our equipment

Recognition

- Globally, UMW is the only *Diamond* member (the highest elite tier) in the Premier Club Recognition Program, awarded by Toyota Material Handling International (TMHI)

Marine & Power Equipment

New products

- Appointed by Cameron Compression to provide reciprocating compressors for the Oil & Gas industry

Marine engine contract

- To complete supply of 10 units of General Electric Marine Engine model 12V228 medium-speed engines to NGV Tech Sdn Bhd, a shipbuilder
- Engines to power anchor handling tug supply (AHTS) vessels

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	2Q09 RM'000	1Q09 RM'000	2Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 2Q
Revenue	111,554	114,733	119,996	490,013	388,009	-3% QoQ
Profit From Operations	3,670	2,839	1,485	26,509	24,068	+29% QoQ

Pennzoil	KYB	Auto Components	Aerex/Specialty Equipment
<p>Increased sales</p> <ul style="list-style-type: none"> Blended and sold higher volume of lubricants QoQ with improved demand Marketing focuses on race-winning products for motorists 	<p>New products</p> <ul style="list-style-type: none"> Launched RS Pro Performance Shock absorber, engineered for car enthusiasts Nissan Grand Livina and Proton Exora rides on KYB 	<p>OEM mainstay</p> <ul style="list-style-type: none"> More customised components especially for Proton Exora OEM to Proton, Perodua & Honda 	<p>Repeat orders from clients</p> <ul style="list-style-type: none"> More sales to Middle East customers Exploring new regional markets

New ventures to underpin future growth

Building the foundation for 2010

- Automotive components sector in India
 - 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 to commence in 1Q2010
 - JV with Sathya Auto Private Limited, manufacturer of mechanical jacks, radiator caps, sheet metal components and forgings. Plant-1 and Plant-2 are operational. Expanded Plant-3 should be completed by 1Q2010
 - JV with Castwel Autoparts Private Limited, manufacturer of pressure die castings, aluminium gravity die castings, aluminium alloy auto components. Plant-A is operational. Expanded Plant-B should be completed by 1Q2010
- Lubricant market in China
 - 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 3Q2010 and operations scheduled to commence by 4Q2010
- Advanced Micro Electronics – Multi layers ceramics substrate / packaging design and manufacturing for the global market
 - JV to undertake research, development, manufacturing and supply of Advanced Micro Electronics products and services known as Low Temperature Co-Fired Ceramic (LTCC) and related technology. LTCC products will tap into the large mobile electronics and telecommunication industry. Plant set-up to be completed by end of 4Q09 and operations to commence by 1Q2010

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	2Q09 RM'000	1Q09 RM'000	2Q08 RM'000	FY 2008 RM'000	FY 2007 RM'000	% Change for 2Q
Revenue	170,303	217,101	156,864	745,666	501,423	-22% QoQ
Profit From Operations	19,035	5,036	3,098	26,227	29,281	+278% QoQ
Associated Companies	15,856	21,274	19,691	84,750	85,376	-25% QoQ

Improved profit contribution by subsidiaries

NAGA 1 (semi-submersible rig) zero LTI

- Offshore rig utilisation in the South East Asia region was lacklustre in 2Q09. However, NAGA 1 is fully contracted for the entire 2009 and up to 2010
- Achieved safety record of 9 years and 3 million manhours with No Lost Time Incident (LTI) since 6 June 2000
- In 2008, NAGA 1 was successfully refurbished and upgraded. Enhanced its competitiveness, extended its lifespan to maintain excellent safety track record

Petrodril actively deployed

- Hydraulic workover rigs actively deployed in 2Q09, clients include Petronas Carigali

PFP improved profit levels

- Enhanced range of OCTG inventory products in-line with our expansion plans

Pipe threading activities enhanced profit levels

- UMW Oilfield Services (Tianjin) caters to E&P activities in the Bohai Bay area in China. It has increased its profit levels in 2Q09
- UMW Oilpipe Services in Labuan attained improved profit levels in 2Q09

Lower profit contribution by WSP

WSP focused on domestic market

- Increased domestic demand totally offset the lower demand in North America. Hence, overall production sales/quantity increased 8% QoQ to 137,470 MT
- However, much lower exports (constituting 13% of revenue in 2Q09) and less demand for customised non-API products (9% of total output produced) reduced WSP's overall profit margins. Average selling price eased 33% QoQ
- Attained net income of USD10.0m in 2Q09



NAGA 1 semi-submersible drilling rig



Premium pipe threading in our Tianjin's plant

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

Developments for 2H2009

Zhongyou BSS to raise production output

- Zhongyou BSS is gradually increasing its production of SSAW and LSAW pipes that are being utilised for the eastern section of the 2nd West-East Gas Pipeline
- Our JV partner is Baoji Petroleum Steel Pipe Co, Ltd, a subsidiary in the China National Petroleum Corporation group. The latter has a contract to complete a portion of the more than 9,100-kilometre pipeline

WSP expects better 2H09

- Order-book has improved in recent months with demand for both API and non-API products
- Price of raw material has bottomed and there are prospects for a higher average selling price in the coming months

NAGA 2 contract and strategic options being explored

- Contract with PCPP Operating Company Sdn Bhd will not be implemented
- We are negotiating with other parties for a new/replacement contract while also exploring various strategic options

To complete new seamless pipe plant in India

- United Seamless Tubular Private Limited's new 300,000 MT plant located in Andhra Pradesh, India, is to be completed by end December 2009
- To start manufacturing seamless tubular pipes by 1Q2010

New ventures

- Acquiring investment in Arabian Drilling Services LLC
- Expanding geographical market to the Middle East and to further develop onshore drilling business there



Official opening of Zhongyou BSS by Malaysia's Prime Minister



Brand new pipe manufacturing machineries in Zhongyou BSS's plant

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Consolidated Balance Sheet

	Jun 2009 RM'000	Dec 2008 RM'000	Dec 2007 RM'000
Investment In Associates	1,494,709	1,468,121	1,164,154
Property, Plant & Equipment	1,978,044	1,792,362	1,278,355
Deposits, Cash & Bank Balances	1,353,857	1,537,802	1,573,587
Inventories	1,295,479	1,453,830	1,088,941
TOTAL ASSETS	7,928,328	7,828,041	6,491,145
Long Term Liabilities	926,993	719,517	354,163
Short Term Borrowings (include ODs)	428,376	527,954	382,036
TOTAL EQUITY	4,638,561	4,605,420	4,008,544
Net Assets Per Share (RM)	3.26	3.23	2.91

AAA rated

Highest possible credit rating on UMW and proposed commercial papers

- Malaysian Rating Corporation Berhad (MARC) assigned Corporate Credit Rating of AAA to UMW in February 2008 and maintained that highest possible credit rating during its review in June 2009
- UMW proposed to issue up to RM800 million of Islamic Commercial Papers/Islamic Medium Term Notes (ICP/IMTN) with tenure up to 10 years. MARC assigned AAA rating to UMW's ICP/IMTN
 - No collateral or security pledged for ICP/IMTN Programme

Strong balance sheet

Managing prudently

- Increase in long term liabilities due to drawdown of pre-approved facilities to finance especially Oil & Gas investments
 - Investment decisions made over the past few years and many are already generating positive returns
 - Tapering-off in the rate of increase of long term liabilities. Most key projects are to be completed by 1Q2010
 - Currently, not expecting major investments or capital expenditures in 2H09
- Well-managed overall level of inventories

UMW HOLDINGS BERHAD

Status & Updates On New Projects

Projects	Business Division	Status
✓ Zhongyou BSS (Qinhuangdao) Petropipe Co, Ltd – manufacturing Spiral Submerged Arc Welded (SSAW) and Longitudinal Submerged Arc Welded (LSAW) steel pipes for China's 2nd West-East Gas Pipeline	Oil & Gas	Manufacturing of SSAW commenced in Jan 09 and LSAW just started in May 09. To increase output in 2H09
✓ TPCO Pan Asia Pte Ltd	Oil & Gas	The plant is expected to be completed by 4Q09
✓ NAGA 2 ultra-premium jack-up rig completed	Oil & Gas	Negotiating contracts with other parties
✓ NAGA 3 ultra-premium jack-up rig expected to be completed by 4Q2009	Oil & Gas	Delivery by 1Q2010
✓ MK Autocomponents and MK Automotive Industries - JV as an original equipment manufacturer (OEM) for stamped automotive body parts for Korean and other car manufacturers in India	Manufacturing & Engineering	New/expanded plants to be completed by 1Q2010
✓ United Seamless Tubular Private Limited to manufacture seamless tubular pipes at its new 300,000 metric tonnes plant, in Andhra Pradesh, India	Oil & Gas	The plant is expected to be completed by 4Q09 and manufacturing is expected to commence by 1Q2010
✓ JV with Dah Chong Hong, Hong Kong, to develop the business of manufacturing/processing of lubricants in Xinhui, Guangdong Province of China. An initial annual output capacity of 50 million litres	Manufacturing & Engineering	Manufacturing is expected to commence by 4Q2010
✓ JV to undertake the business of research, development, manufacturing and supply of Low Temperature Co-Fired Ceramic (LTCC) and related technology	Manufacturing & Engineering	Manufacturing is expected to commence by 1Q2010

THANK YOU



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