

UMW ACHIEVES PRETAX PROFIT OF RM237M IN 4Q09

RM million	4Q09	3Q09	2Q09	1Q09
Profit Before Taxation	237.2	288.2	185.5	123.7

EXECUTIVE SUMMARY

4Q09 financial highlights

- Group PBT reduced by 18% QoQ to RM237 million
- Much higher QoQ profits at Automotive and M&E Divisions
- Balance sheet remained strong, cash at RM1.7 billion
- Positive net cash generated from operating activities

4Q09 highlights

- Automotive Division's YTD market share at 46%
- Toyota achieved another QoQ unit sales increase of 2%
- Launched facelifted Toyota Camry in September 2009. Its sales improved 33% QoQ in 4Q
- Perodua launched its MPV, Alza. Received very favourable response, averaging 3-months' waiting list
- Oil & Gas Division took delivery of the newly completed NAGA 2 jack-up rig

Prospects for 2010

- Automotive Division aiming to maintain its market share
 - New Perodua Alza benefits from the first full year of sales
 - Toyota/Perodua to have new/facelift/variant models
- Oil & Gas Division to increase contribution to Group's profits
 - United Seamless Tubular to commence production of tubular green pipe at new plant in India in 2Q10
 - To take delivery of newly completed NAGA 3 by 2Q10
- Manufacturing & Engineering Division to see fruits of new ventures into China and India (details inside)

Dividend policy

- Dividend payout of 60.5% of our 2009's net profit
- Recommended final single-tier dividend of 9.0 sen per share of RM0.50 each, to be paid on 10 August 2010 (20.0 sen for 2009)



Dear fund managers and analysts,

2009 started on a cautious note but we have ended the year on an upbeat mood. We experienced and benefited from sustained economic improvements since 2Q09. Further details and updates are in the following pages.

Sales of Toyota vehicles in Malaysia are not affected by recent recall issue because relevant components are manufactured by different suppliers from those in the USA markets. Special service campaign already initiated for the Prius.

We expect overall economic conditions in 2010 to be supportive of all our business operations, now in 14 countries, including China and India. We are well-positioned to support and enjoy long-term development in the latter two countries.

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

UMW HOLDINGS BERHAD

Group Income Statement

	4Q09 RM'000	3Q09 RM'000	4Q08 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 4Q
Revenue	2,969,431	2,797,651	2,890,116	10,697,954	12,769,581	+6% QoQ
Profit From Operations	239,037	240,315	233,685	751,449	1,073,651	-1% QoQ
Associated Companies	(1,640)	43,010	48,253	88,359	199,822	n.m.
Profit Before Taxation	237,184	288,174	275,008	834,563	1,276,685	-18% QoQ
Net Profit Attributable To Shareholders	99,750	125,938	119,688	371,077	565,838	-21% QoQ

Group profit level is lower

Strong contributions from subsidiaries

- Profit level was sustained in 4Q09 on a QoQ basis and even improved on a YoY comparison, a respectable achievement given that 2008 was a record year for the Group

Lower contributions by associated companies

- Perusahaan Otomobil Kedua Sdn Bhd and associated companies in the Oil & Gas Division recorded lower QoQ profit level. Detailed analysis in the following pages

Prospects for 2010

Automotive division poised to capture entire spectrum of improved demand by consumers

- Perodua enhanced Viva's attractiveness and product line-up with Viva Elite. Perodua Alza, the new MPV, expanded its market footprint and average selling prices. Alza will help to retain and expand Perodua's customer-base
- UMW Toyota to benefit from improved economy with its higher-end/premium models, the facelifted Camry and Lexus LS460L/Sport. New models and facelifts will enhance its product portfolio
- UMW Toyota to cultivate its market's presence in the hybrid vehicle segment

Oil & Gas division expects further improvement in financial performance

- Zhongyou BSS to raise output of LSAW and SSAW pipes and United Seamless Tubulaar in India to start commercial production of seamless tubular green pipes in 2Q10
- Our new ultra-premium jack-up rig, NAGA 2, is expected to be deployed in 2H10 while NAGA 3 should be ready for deployment by 4Q10. We are exploring and evaluating contractual and strategic options for both rigs
- We are extending our operations to the Middle East and various strategic initiatives should be concluded in the new year

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting

	4Q09 RM'000	3Q09 RM'000	4Q08 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 4Q
Revenue	2,373,085	2,232,076	2,177,048	8,350,303	10,031,823	+6% QoQ
Profit From Operations	236,102	213,294	237,146	650,560	1,002,020	+11% QoQ
Associated Companies	24,992	32,767	20,707	86,146	112,910	-24% QoQ

Company	UMW Toyota Motor Sdn Bhd	Perusahaan Otomobil Kedua Sdn Bhd
Vehicle sales	<p>3 consecutive QoQ improvements</p> <ul style="list-style-type: none"> • 2009 sales declined by 19% to 82,089 units but more significant is 3 consecutive QoQ improvement in sales • Sales increased by 2% QoQ in 4Q09 to 22,476 units • Toyota Vios is the most popular model in 2009 as it contributed 36% to total sales volume • Lexus achieved 43% higher sales in 2009. Strong demand for the new RX350 that was launched in 1Q09 	<p>Outperformed TIV</p> <ul style="list-style-type: none"> • 2009 sales declined by just 0.4% to 166,736 units and Perodua outperformed TIV (which contracted 2%) • QoQ sales declined by 4% as customers waited for Perodua Alza, launched on November 23. The Alza now has an average 3 months waiting list • Perodua received and processed 18,841 applications under the Car Scrapping Programme
Market share of TIV	<p>QoQ improvement with 15.3% of TIV in 2009</p> <ul style="list-style-type: none"> • 2009 market share of TIV at 15.3%. QoQ improvements, with 4Q09 at 16.2% compared to 3Q09 at 15.0% of TIV • Vios extended its No.1 position in 4Q09, outsold nearest competitor by 1.8 unit to 1 	<p>Improved YTD and QoQ</p> <ul style="list-style-type: none"> • 2009 market share of TIV increased to 31.1% from 2008 of 30.5%. Also improved QoQ to 31.5% in 4Q09 • New variant, Viva Elite, was very well received while 2,850 units of Alza were delivered in 4Q09
4Q09 profitability	<p>QoQ improvement and highest for 2009</p> <ul style="list-style-type: none"> • QoQ, improved profitability with higher sales volume, more favourable exchange rate and lower unit selling cost • YoY, adversely affected by lower sales volume and less favourable exchange rate (we hedge forward up to 3 months for all currency requirements) 	<p>Provision for Car Scrapping Programme</p> <ul style="list-style-type: none"> • QoQ, lower profitability due to lower sales volume and provisions for Car Scrapping Programme • YoY, adversely affected by less favourable exchange rate (imported components are denominated primarily in Japanese Yen)

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting



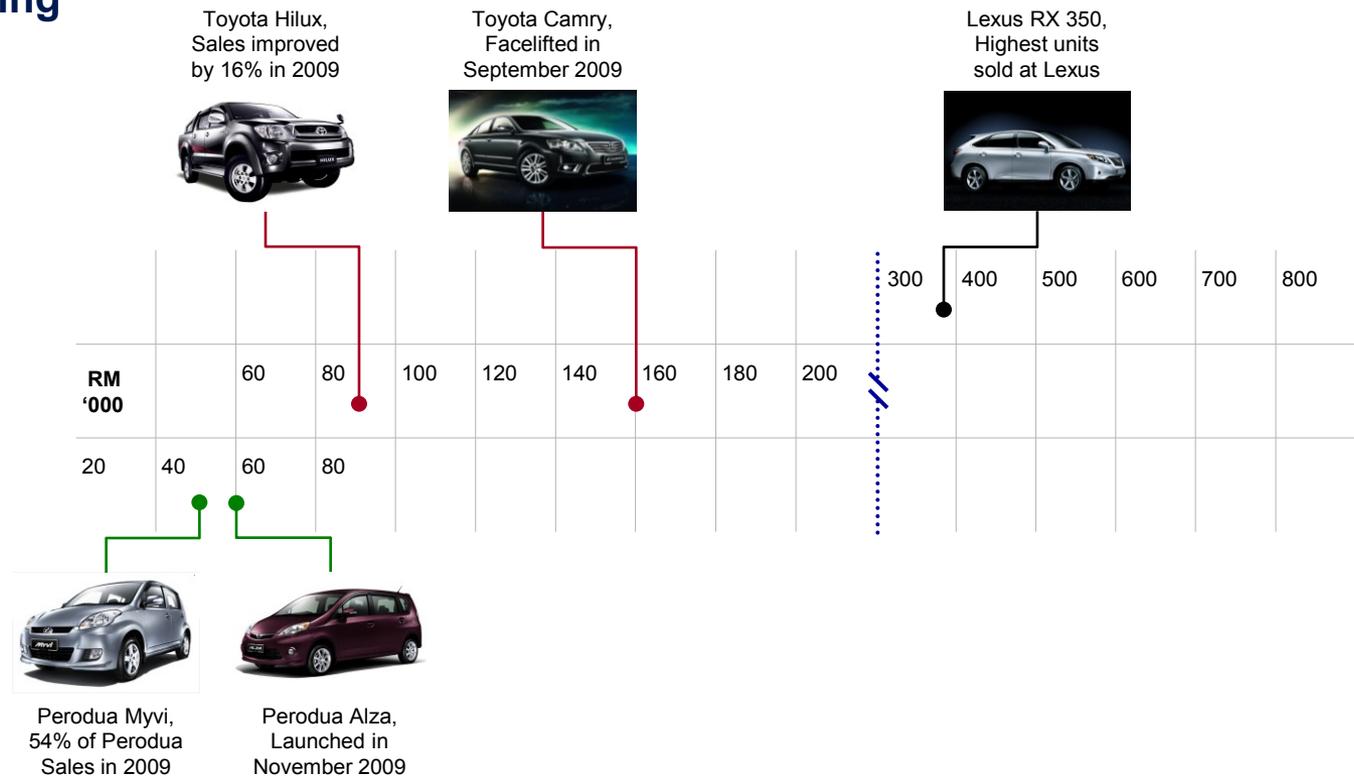
4 models
RM277-851k



11 models
RM62-183k



3 models
RM25-70k



Prospects for 2010

Invest for the future

- Enhance components localisation to capture greater cost efficiencies and use of incentives
- Invest in plants upgrade to increase assembly quality, testing capabilities and optimise output capacity
- Upgrade our outlets, sales centres and human resources to better serve our growing customer-base

Competition will remain intense

- Consumers will increasingly have broader product choices. Greater incentives remain a possibility
- Perodua will enhance its market coverage and positioning with Alza. It is also competitively priced. An additional variant, the Alza Advanced Version, would be delivered to customers in March 2010
- Sales of Toyota vehicles in Malaysia are not affected by recent recall issue because relevant components are manufactured by different suppliers from those in the USA markets. Special service campaign already initiated for the Prius
- Perodua/UMW Toyota to introduce new/variant/facelift models to enhance our product line-up

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	4Q09 RM'000	3Q09 RM'000	4Q08 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 4Q
Revenue	295,256	297,328	340,543	1,175,451	1,536,392	-1% QoQ
Profit From Operations	21,669	22,264	35,521	89,332	152,666	-3% QoQ

Heavy Equipment

Strong market share

- Komatsu maintained market share of more than 30% in important markets and segments
- Sales of heavy equipment to property and construction sectors expected to improve

Recognition

- *World Highest Market Share* award for Backhoe presented by CASE

Highlights: Rosenbauer

- UMW delivered Rosenbauer Panther CA-5 Aircraft Rescue and Fire Fighting Vehicle to PETRONAS Kertih Airport recently. The CA-5 is known to be one of the world's most sophisticated vehicles used in fire-fighting emergencies. Before this, UMW has delivered 9 other Rosenbauer units to Malaysia Airport Berhad and TUDM airports and bases

Industrial Equipment

Dominant market share

- Our Toyota forklifts have a commanding market share of more than 60% in Malaysia

Recognition

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

Highlights: UMW Industries (1985) in Sarawak

- We continuously seek new ways to provide value added services to our customers. The branch in Sarawak provided personalised technical training sessions to some of its key customers right at their site.
- In 4Q09, several training sessions were conducted, including for the Rimbunan Hijau Group in Sibul

Marine & Power Equipment

Added product range

- Selling Cameron reciprocating compressors to be used by the Oil & Gas industry

Highlights: NGV Tech

- UMW to complete supply of 10 units of General Electric (GE) Marine Engine model 12V228 medium-speed engines to NGV Tech Sdn Bhd in 2010
- The GE engines meet the toughest emissions requirement in the world while still providing increased output, high level of reliability and fuel efficiency

Prospects for 2010

Equipment division expected to improve

- Unit sales are expected to improve in 2010 and this will enhance the overall profitability while parts and services and after-sales support provide a base profit level given our sizeable market share built-up over the years
- Domestically, more active level of private sector led construction related activities will enhance the Division's performance. Overseas operations continue to benefit from sustained levels of global metal and commodity prices

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	4Q09 RM'000	3Q09 RM'000	4Q08 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 4Q
Revenue	153,222	129,361	132,482	508,870	490,013	+18% QoQ
Profit From Operations	7,276	4,229	9,521	18,013	26,509	+72% QoQ

Pennzoil	KYB	Auto Components
<p>New products</p> <ul style="list-style-type: none"> Introduced Pennzoil Platinum 100% Synthetic SAE 5W-40. It exceeds American and European standards and also meet manufacturers' specifications such as that of BMW and Porsche 	<p>Perodua Alza uses KYB</p> <ul style="list-style-type: none"> The recently launched Perodua Alza rides on KYB front shock absorbers and steers using KYB power steering pumps Broadening the application of its products as KYB's clients introduce new models 	<p>OEM mainstay</p> <ul style="list-style-type: none"> Among others, OEM to key companies, namely Proton, Perodua and Honda

Prospects for 2010

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 1Q10
 - Sathya Auto Private Limited is a 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 1Q10
 - Castwel Autoparts Private Limited is a manufacturer of pressure die castings, aluminium gravity die castings and aluminium alloy auto components. Plant-A is operational and the expanded Plant-B should be completed by 1Q10
- 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 4Q10 and operations scheduled to commence by 1Q11
- Advanced Micro Electronics – Multi layers ceramics substrate / packaging design and manufacturing
 - 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. Operations to commence by 3Q10

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	4Q09 RM'000	3Q09 RM'000	4Q08 RM'000	FY 2009 RM'000	FY 2008 RM'000	% Change for 4Q
Revenue	156,051	144,416	244,919	687,871	745,666	+8% QoQ
Profit From Operations	14,454	24,849	17,034	63,374	26,227	-42% QoQ
Associated Companies	(22,899)	5,631	27,451	19,862	84,750	n.m.

On subsidiaries

NAGA 1 performed well in 4Q09

- NAGA 1, semi-submersible rig, was contracted with Petronas Carigali until 2010
- It was deployed in the offshore waters of Sarawak and it successfully completed its drilling programme for 2009

NAGA 2 successfully delivered to UMW

- NAGA 2, ultra-premium jack-up rig, was completed and delivered to us
- Acquired remaining 49% in 4Q09. First wholly-owned jack-up rig in Malaysia

Sher 1 and 2 in exploratory drilling

- UMW's Sher 1 and 2 land rigs are deployed in Assam, India. In 4Q09, it successfully enhanced its clients hydrocarbon reserves with new findings

Vina Offshore JV with SWG International

- Vina Offshore enhanced its capabilities in a joint-venture with SWG International to provide offshore installation and construction services

On associates

Zhongyou BSS increased output level

- Zhongyou BSS increased the production volume of Spiral Submerged Arc Welded Pipes (SSAW) and Longitudinal Submerged Arc Welded (LSAW) pipes in 4Q09

Shanghai Tube-Cote, healthy margins

- Shanghai Tube-Cote provides internal epoxy coating for OCTG pipes. Improving drilling activities augured well for the company's operations and profit margins

WSP affected by duties in USA

- The countervailing and anti-dumping duties imposed on WSP's seamless pipes adversely affected its overall profitability



SWG International's services

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

Prospects for 2010

Zhongyou BSS to have a full year of production

- The plant will have its first full year's production of SSAW and LSAW pipes, currently manufactured for the 2nd West-East Gas Pipeline
- It is also exploring supplying to other major pipelines to boost its orderbook

New Indian OCTG plant commencing operations

- United Seamless Tubular Private Limited's new 300,000 MT plant located in Andhra Pradesh, India, is nearing completion
- After testing and commissioning of the new machineries installed, the plant is starting commercial production of seamless tubular green pipes by 2Q10

WSP's new capacity to come on-stream in 2010

- WSP's additional billet production, hot-rolling, heat-treatment and threading facilities would come onstream

NAGA 2, and then NAGA 3 ready for deployment

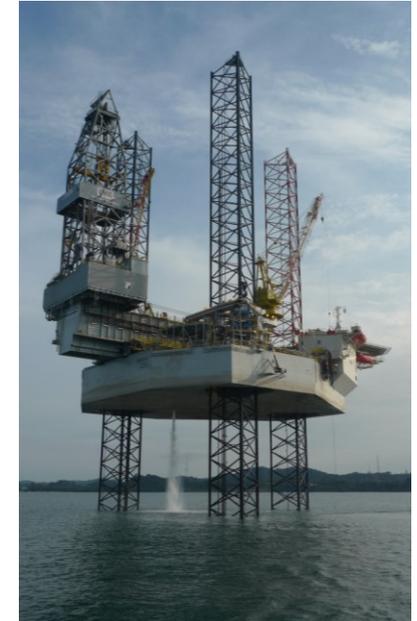
- NAGA 2 is ready for deployment. Evaluating strategic options and negotiating with potential clients as dayrates may possibly firm up
- NAGA 3 is scheduled to be completed by 2Q10

Expanding geographically but within core areas

- Invested in Arabian Drilling Services LLC and will expand operationally to the Middle East
- Will enter new strategic-attractive investments within our core business areas

Planning for a bigger IPO for UMW Oil & Gas

- Did not seek further extension for the initially approved IPO proposal
- Will revise and formulate a new scheme to have more companies for a bigger IPO



NAGA 2 ultra-premium jack-up rig

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Consolidated Balance Sheet

	Dec 2009 RM'000	Sep 2009 RM'000	Dec 2008 RM'000	Dec 2007 RM'000
Investment In Associates	1,471,228	1,473,182	1,468,121	1,164,154
Property, Plant & Equipment	2,558,603	2,085,633	1,792,362	1,278,355
Deposits, Cash & Bank Balances	1,714,292	1,928,852	1,537,802	1,573,587
Inventories	1,293,917	1,301,805	1,453,830	1,088,941
TOTAL ASSETS	8,830,181	8,623,000	7,828,041	6,491,145
Long Term Liabilities	1,873,797	1,597,353	719,517	354,163
Short Term Borrowings (include ODs)	288,973	344,939	527,954	382,036
TOTAL EQUITY	4,922,721	4,776,020	4,605,420	4,008,544
Net Assets Per Share (RM)	3.37	3.33	3.23	2.91

AAA rated

Issued RM500 million of IMTN, UMW rated AAA

- UMW completed issuance of RM500 million Islamic Medium Term Notes (IMTN) with a tenure of 5 years
 - Still has flexibility to issue another RM300 million (as the total facility approved is RM800 million of Islamic Commercial Papers/Islamic Medium Term Notes (ICP/IMTN) with tenure up to 10 years)
 - No collateral or security pledged for ICP/IMTN Programme
- Malaysian Rating Corporation Berhad has assigned the highest possible Corporate Credit Rating of AAA to UMW

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 2Q10
- Well-managed overall level of inventories

UMW HOLDINGS BERHAD

Status & Updates On New Projects

Projects	Business Division	Status
✓ TPCO Pan Asia Pte Ltd	Oil & Gas	The plant is expected to be completed by 2Q10
✓ 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 2Q2010	Oil & Gas	Delivery by 2Q10
✓ 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 1Q10
✓ United Seamless Tubular Private Limited to manufacture seamless tubular pipes at its new 300,000 metric tonnes plant, in Andhra Pradesh, India	Oil & Gas	After testing and commissioning, commercial production is expected to commence by 2Q10
✓ 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 1Q11
✓ 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 3Q10



THANK YOU

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