

UMW HOLDINGS BERHAD
(COMPANY NO. 090278-P)
(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
SECOND QUARTER ENDED 30TH JUNE 2011**
(THE FIGURES HAVE NOT BEEN AUDITED)

	CURRENT QUARTER ENDED 30/06/2011 RM'000	COMPARATIVE QUARTER ENDED 30/06/2010 RM'000	6 MONTHS CUMULATIVE TO DATE 30/06/2011 RM'000	COMPARATIVE 6 MONTHS CUMULATIVE TO DATE 30/06/2010 RM'000
<u>Continuing Operations</u>				
Revenue	3,166,475	3,282,075	6,387,635	6,315,232
Operating Expenses	(2,888,336)	(2,909,800)	(5,836,412)	(5,758,916)
Other Operating Income	16,856	25,250	53,596	118,551
Profit From Operations	294,995	397,525	604,819	674,867
Finance Costs	(21,261)	(14,846)	(42,041)	(26,202)
Share Of Profits Of Associated Companies	19,827	49,066	56,788	79,588
Investment Income	18,420	10,521	31,953	19,107
Profit Before Taxation	311,981	442,266	651,519	747,360
Taxation	(89,234)	(99,272)	(168,926)	(172,098)
Profit For The Period	222,747	342,994	482,593	575,262
<u>Other Comprehensive Income:</u>				
Translation Of Foreign Operations	303	1,130	(504)	(1,462)
Fair Value Movement On Available - For - Sale Financial Assets	(28,200)	-	(28,200)	-
Cash Flow Hedge	432	1,315	29	566
Other Comprehensive Income Net Of Tax	(27,465)	2,445	(28,675)	(896)
Total Comprehensive Income For The Period	195,282	345,439	453,918	574,366
<u>Profit For The Period Attributable To:</u>				
Equity Holders Of The Company	131,178	211,697	283,010	344,553
Non-Controlling Interests	91,569	131,297	199,583	230,709
	222,747	342,994	482,593	575,262
<u>Total Comprehensive Income Attributable To:</u>				
Equity Holders Of The Company	103,729	214,083	254,624	343,913
Non-Controlling Interests	91,553	131,356	199,294	230,453
	195,282	345,439	453,918	574,366
<u>EPS Attributable To Equity Holders Of The Company:</u>				
Basic EPS For The Period (Sen)	11.26	18.74	24.30	30.50
Diluted EPS For The Period (Sen)	-	18.62	-	30.31

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 31st December 2010)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/06/2011 RM'000	(AUDITED) AS AT 31/12/2010 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	2,966,027	2,852,305
Investment Properties	80,497	81,488
Intangible Assets	255,573	258,489
Land Use Rights	4,851	4,931
Leased Assets	199,366	193,998
Investments In Associates	1,456,015	1,453,059
Deferred Tax Assets	54,011	41,286
Other Investments	92,636	132,463
Derivative Assets	63,747	63,746
	5,172,723	5,081,765
Current Assets		
Inventories	1,283,923	1,396,135
Trade Receivables	815,160	749,688
Other Receivables	333,164	359,480
Other Investments	140,000	229,963
Derivative Assets	6,973	4,897
Deposits, Cash And Bank Balances	2,436,916	2,195,051
	5,016,136	4,935,214
Non-Current Assets Held For Sale	2,042	6,839
	5,018,178	4,942,053
TOTAL ASSETS	10,190,901	10,023,818
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share Capital	584,147	576,687
Share Premium	794,482	716,708
Capital Reserve	7,375	7,375
Foreign Currency Translation Reserve	(41,041)	(40,826)
Share Option Reserve	-	14,514
Fair Value Adjustment Reserve	(28,171)	-
Retained Profits	2,961,245	2,752,635
	4,278,037	4,027,093
Non-Controlling Interests	1,259,705	1,239,918
TOTAL EQUITY	5,537,742	5,267,011
Non-Current Liabilities		
Provision For Liabilities	64,851	65,492
Deferred Tax Liabilities	31,556	26,428
Long Term Borrowings	1,931,701	1,858,199
Derivative Liabilities	21,032	21,255
	2,049,140	1,971,374
Current Liabilities		
Provision For Liabilities	50,319	80,818
Taxation	121,718	107,553
Short Term Borrowings	511,684	760,946
Bank Overdrafts	67,128	64,290
Trade Payables	870,097	838,842
Other Payables	902,214	771,455
Derivative Liabilities	4,920	4,882
Dividend Payable	75,939	156,647
	2,604,019	2,785,433
TOTAL LIABILITIES	4,653,159	4,756,807
TOTAL EQUITY AND LIABILITIES	10,190,901	10,023,818
Net Assets Per Share (RM)	3.6618	3.4916

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 31st December 2010)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2011

←----- NON-DISTRIBUTABLE -----→ DISTRIBUTABLE

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	SHARE OPTION RESERVE RM'000	FAIR VALUE ADJUSTMENT RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
6 MONTHS ENDED 30TH JUNE 2011										
At 1 st January 2011	576,687	716,708	7,375	(40,826)	14,514	-	2,752,635	4,027,093	1,239,918	5,267,011
Transactions with owners										
Issue of ordinary shares by subsidiary	-	-	-	-	-	-	-	-	8,803	8,803
Issue of ordinary shares pursuant to ESOS	7,460	64,799	-	-	-	-	-	72,259	-	72,259
Effect of exercise of ESOS	-	12,975	-	-	(14,514)	-	1,539	-	-	-
Dividend distributed to equity holders	-	-	-	-	-	-	(75,939)	(75,939)	(188,310)	(264,249)
Total comprehensive income	-	-	-	(215)	-	(28,171)	283,010	254,624	199,294	453,918
At 30 th June 2011	584,147	794,482	7,375	(41,041)	-	(28,171)	2,961,245	4,278,037	1,259,705	5,537,742

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	SHARE OPTION RESERVE RM'000	FAIR VALUE ADJUSTMENT RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
6 MONTHS ENDED 30TH JUNE 2010										
At 1 st January 2010	559,658	542,045	5,793	42,666	41,038	-	2,582,659	3,773,859	1,145,909	4,919,768
Effects of applying FRS 139	-	-	-	-	-	(201)	17,102	16,901	(6,130)	10,771
Transactions with owners										
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	1,805	1,805
Reduction of non-controlling interest in a subsidiary	-	-	-	-	-	-	-	-	(2,854)	(2,854)
Issue of ordinary shares pursuant to ESOS	8,987	78,137	-	-	-	-	-	87,124	-	87,124
Dividends distributed to equity holders	-	-	-	-	-	-	(102,356)	(102,356)	(136,091)	(238,447)
Total comprehensive income	-	-	-	(1,206)	-	566	344,553	343,913	230,453	574,366
At 30 th June 2010	568,645	620,182	5,793	41,460	41,038	365	2,841,958	4,119,441	1,233,092	5,352,533

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Annual Financial Report for the year ended 31st December 2010)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2011

	6 MONTHS ENDED 30/06/2011 RM'000	6 MONTHS ENDED 30/06/2010 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	651,519	747,360
Adjustments For:		
Non-Cash Items	176,083	25,300
Non-Operating Items	(31,953)	(19,106)
Operating Profit Before Working Capital Changes	795,649	753,554
Changes In Working Capital:		
Net Change In Current Assets	18,628	(115,624)
Net Change In Current Liabilities	(66,334)	(55,774)
Net Cash Generated From Operating Activities	747,943	582,156
Cash Flow From Investing Activities		
Net Cash Outflow Arising From Equity Investments	-	(48,300)
Dividends Received	51,592	24,142
(Purchase)/Disposal Of Fixed Assets (Net)	(242,348)	(250,315)
Interest Income	31,953	18,131
Other Investments	90,046	(129,855)
Net Cash Used In Investing Activities	(68,757)	(386,197)
Cash Flow From Financing Activities		
Proceeds From Issue Of Shares	81,062	87,124
Dividends Paid	(344,957)	(192,295)
Bank Borrowings (Net)	(175,760)	183,752
Net Cash (Used In)/Generated From Financing Activities	(439,655)	78,581
Net Increase In Cash And Cash Equivalents	239,531	274,540
Cash And Cash Equivalents As At 1st January	2,130,761	1,699,020
Effects Of Exchange Rate Changes	(504)	(1,463)
Cash And Cash Equivalents As At 30th June	2,369,788	1,972,097

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 31st December 2010)

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 ("Bursa Securities"). The Group has adopted all new and revised Financial Reporting Standards ("FRSs"), Issues Committee Interpretations ("IC Interpretations") and Amendments applicable to the Group as of 1st January 2011.

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 2010 except for changes resulting from the adoption of the revised FRS 3: Business Combinations and amendment to FRS 127: Consolidated and Separate Financial Statements. These changes were disclosed in the Interim Financial Statements for the first quarter ended 31st March 2011.

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 of the Group.

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 June 2011.

During the quarter ended 30th June 2011, the issued and paid-up capital of the Company increased from RM582,411,416 to RM584,146,966 as a result of the exercise and allotment of:

- a) 296,400 option shares of par value RM0.50 each at RM3.335 per share;
- b) 283,700 option shares of par value RM0.50 each at RM3.33 per share;
- c) 8,400 option shares of par value RM0.50 each at RM3.325 per share;
- d) 1,069,100 option shares of par value RM0.50 each at RM5.16 per share; and
- e) 1,813,500 option shares of par value RM0.50 each at RM4.93 per share.

The UMW Employee Share Option Scheme had expired on 17th April 2011.

Note 6 - Dividends Paid

A second interim single-tier dividend of 27% or 13.5 sen (2010 - 10% or 5.0 sen) per share of RM0.50 each amounting to a net dividend of RM156.6 million (2010 - RM56.2 million) for the financial year ended 31st December 2010, was paid on 11th February 2011.

There was no dividend paid during the quarter ended 30th June 2011.

Note 7 - Segmental Reporting

Business Segment	Six Months Ended 30 th June 2011		
	Revenue RM'000	Profit Before Taxation RM'000	Profit Attributable to Owners of the Company RM'000
Automotive	4,666,500	634,074	281,741
Equipment	910,215	72,353	53,310
Oil & Gas	480,022	(22,770)	(18,270)
Manufacturing & Engineering	334,871	8,627	947
Others	43,687	(40,765)	(34,718)
Sub-Total	6,435,295	651,519	283,010
Elimination of Inter-Segment Sales	(47,660)	-	
Consolidated Total	6,387,635	651,519	

Note 8 - Subsequent Material Events

In the opinion of the Directors, there was no material event or transaction during the period from 30th June 2011 to the date of this announcement, which affects substantially the results of the operations of the Group for the period ended 30th June 2011.

Note 9 - Changes in Composition/Group

On 27th April 2011, Seat Industries (Malaysia) Sdn. Bhd, a dormant 51%-owned subsidiary of UMW, was placed under members' voluntary winding up. Other than the above, there were no changes in the composition of the Group during the quarter ended 30th June 2011.

Note 10 - Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group have decreased from RM477.0 million to RM430.0 million since 31st December 2010.

Note 11 - Commitments

These are in respect of capital commitments:

	RM'000	RM'000
Approved and contracted for:		
Land and buildings	116,173	
Equipment, plant and machinery	230,111	
Others	<u>2,078</u>	348,362
Approved but not contracted for:		
Land and buildings	88,986	
Equipment, plant and machinery	359,989	
Others	<u>10,022</u>	<u>458,997</u>
Total		<u><u>807,359</u></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	15,197
2.	KYB-UMW Malaysia Sdn. Bhd. and its subsidiary	Perodua Group	Associated Company	Sale of Goods	33,774
3.	UMW Toyota Motor Sdn. Bhd. and its subsidiaries	Perodua Group	Associated Company	Sale of Goods and Services	146,014
				Purchase of Goods and Services	182,386
4.	UMW Industrial Power Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	929
5.	UMW Industries (1985) Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	3,726
6.	U-TravelWide Sdn. Bhd.	Perodua Group	Associated Company	Sale of Services	2,115
7.	UMW Toyota Motor Sdn. Bhd.	UMW Toyotsu Motors Sdn. Bhd.	Associated Company	Sale of Goods and Services	73,243
				Purchase of Goods and Services	375

No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
8.	UMW Toyota Motor Sdn. Bhd. and its subsidiaries	Toyota Motor Corporation, Japan and its subsidiaries	Corporate Shareholders of UMW	Sale of Goods and Services	458,514
			Toyota Motor Sdn. Bhd.	Purchase of Goods and Services	1,067,513
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	12,435
			Toyota Tsusho (Malaysia) Sdn. Bhd.	Sale of Goods and Services	129
			Toyota Tsusho (Malaysia) Sdn. Bhd.	Purchase of Goods and Services	22,296
10.	UMW JDC Drilling Sdn. Bhd.	Japan Drilling Co., Ltd. and its subsidiaries	Corporate Shareholder of UMW JDC Drilling Sdn. Bhd.	Purchase of Goods and Services	8,879
				Bare Boat Charter	21,585
11.	Jaybee Drilling Private Limited	Jaybee Energy Private Limited	Related Company of Corporate Shareholder of Jaybee Drilling Private Limited	Sale of Goods and Services	3,178

Note 13 - Review of Performance

Group revenue of RM3,166.5 million for the second quarter ended 30th June 2011 was lower than the RM3,282.1 million recorded in the preceding year's corresponding quarter by RM115.6 million or 3.5%. Despite additional revenue contributions from our premium jack-up rigs, Naga 2 and Naga 3, Group revenue dropped due to disruptions in Toyota vehicle production following the earthquake and tsunami in Japan. Longer lead time in new vehicle registration arising from the amendments to the Hire Purchase Act, also adversely affected vehicle sales for the second quarter of 2011.

Consequently, Group profit before taxation for the second quarter ended 30th June 2011 decreased from the RM442.3 million registered in the same quarter of 2010 to RM312.0 million, a reduction of 29.5% or RM130.3 million. Lower profit contributions from the Automotive segment and Manufacturing & Engineering segment, mainly contributed to the dip in profit.

As a result of the above, net profit attributable to equity holders of the Company of RM131.2 million for the second quarter of 2011 was lower than the RM211.7 million registered in the same quarter of 2010 by RM80.5 million or 38.0%.

Group revenue of RM6,387.6 million for the six months ended 30th June 2011 improved marginally over the RM6,315.2 million registered in the same period of 2010 by RM72.4 million or 1.1%. Higher revenue from the Oil & Gas, Equipment and Manufacturing & Engineering segments, offset by lower revenue from the Automotive segment, contributed to the slight increase.

Group profit before taxation for the six months ended 30th June 2011 declined to RM651.5 million from the RM747.4 million recorded in the same period of 2010, a decrease of RM95.9 million or 12.8%. The profit reduction was mainly attributable to lower sales of Toyota and Perodua vehicles and automotive parts caused by the earthquake and tsunami in Japan, as well as adverse fair value movements in hedging instruments and a quoted investment.

In line with lower level of profitability, net profit attributable to equity holders of the Company for the six months ended 30th June 2011 decreased from RM344.6 million achieved in the same period of 2010 to RM283.0 million, a reduction of RM61.6 million or 17.9%.

Total sales of Toyota and Perodua vehicles of 125,813 units represented 42.3% of the total industry volume of 297,203 units reported by the Malaysian Automotive Association for the six months ended 30th June 2011.

Note 14 - Comparison with Preceding Quarter's Results

Group revenue of RM3,166.5 million for the second quarter ended 30th June 2011 was RM54.7 million or 1.7% lower than the RM3,221.2 million achieved in the first quarter of 2011. Lower sales of Toyota vehicles due to production disruptions caused by the earthquake and tsunami in Japan, resulted in the revenue fall in the second quarter.

Consequently, Group profit before taxation for the second quarter ended 30th June 2011 declined to RM312.0 million from the RM339.5 million registered in the first quarter of 2011, a reduction of 8.1% or RM27.5 million. Unfavourable movements in fair value of hedging instruments and a quoted investment also contributed to the profit shortfall.

Note 15 - Current Prospects

- (a) In July 2011, the Malaysian Automotive Association revised its 2011 total industry volume forecast for new motor vehicles from 618,000 units to 608,000 units. Nevertheless, the revised forecast is still 2,844 units higher than the 605,156 units achieved in 2010. This downward revision by 10,000 units or 1.6% was made in view of production disruptions caused by the tsunami in Japan as well as the slow-down in vehicle registration caused by the amendments to the Hire Purchase Act.

Notwithstanding the above, the performance of both Toyota and Perodua is expected to improve significantly in the second half of 2011. Consequently, profit contributions from our Automotive segment are expected to be in line with our original 2011 internal target.

Supply of Komatsu, Toyota and Mitsubishi equipment has returned to normal since July 2011. The impact of tsunami on the performance of the Equipment segment during the second quarter of 2011 was relatively minor. Strong demand for our heavy and industrial equipment is expected to continue into the second half of 2011.

Sales of our automotive parts are picking up following the progressive recovery in the Automotive sector. Both revenue and profit contributions from the Manufacturing & Engineering segment for the year 2011 are expected to be lower than budget due to the slow-down in vehicle sales caused by the tsunami in Japan.

Operating results of our Oil & Gas segment have improved, thanks to the additional revenue and profit contributions from our three rigs, Naga 1, Naga 2 and Naga 3. We expect results from the operating activities to continue to improve in the second half of 2011. However, unfavourable fair value movements of some of our investments quoted overseas and hedging instruments due to external factors beyond our control may affect the overall performance of the Oil & Gas segment.

- (b) Performance of the Group may be affected by the recent downgrading of US credit rating as any slow-down in the US economy is likely to have a negative impact on the Malaysian economy. Nevertheless, the Board is of the view that our internal targets for 2011 are achievable given that the Group is progressing satisfactorily in accordance with its business recovery plans.

Note 16 - Statement on Headline Key Performance Indicators

Based on internal key financial indicators and the current economic outlook for the remaining period to 31st December 2011, the Board of Directors is of the view that it is possible for the Group to achieve its 2011 Headline Key Performance Indicators reproduced below.

- (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 30 th June 2011 RM'000	Six Months Ended 30 th June 2011 RM'000
Current period's provision	90,334	177,160
Add/(Less): Under/(Over) provision in prior periods	(637)	(637)
	89,697	176,523
Deferred taxation	(463)	(7,597)
Total	89,234	168,926

The effective tax rates for the current quarter and for the six months ended 30th June 2011 were 30.8% and 28.5%, respectively. The effective tax rates were 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

A total profit of RM8.5 million was registered from the sale of properties for the current quarter and six months ended 30th June 2011.

There was no sale of unquoted investment during the quarter and six months ended 30th June 2011.

Note 20 - Purchase or Disposal of Quoted Securities

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

	Quarter Ended 30 th June 2011 RM'000	Six Months Ended 30 th June 2011 RM'000
Total purchases	140,000	140,860
Total sale proceeds	9,966	230,684
Total (loss)/gain arising from sales	(34)	119

- (b) Quoted investments as at 30th June 2011 were as follows:

	Quoted Outside Malaysia RM'000	Quoted Within Malaysia RM'000
At cost	128,479	141,000
Movement in fair value	(41,455)	96
At net book value	87,024	141,096
Market value as at 30 th June 2011	87,024	141,096

The investments in shares quoted outside Malaysia are in respect of the Group's investments in companies listed on the Hang Seng Stock Exchange or Bombay Stock Exchange and the National Stock Exchange in India. These strategic investments are 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	336,504	}	USD31,700 SGD924
Finance lease payable	134		
Portion of long term loans payable within 12 months	144,679		USD45,227
		481,317	
- Secured			
Short term loans and trade facilities	23,684	}	AUD440 INR190,739 SGD3,873
Finance lease payable	733		
Portion of long term loans payable within 12 months	5,950		SGD301 AUD4
		30,367	AUD982 SGD137 KINA2,188
			USD76,927 SGD5,235 AUD1,426 INR190,739 KINA2,188
Total		511,684	
(b) Long term borrowings			
- Unsecured			
Long term loans	1,742,742	}	USD363,278 INR15,007
Finance lease payable	489		
Portion of long term loans payable within 12 months	(144,679)		(USD45,227)
		1,598,552	
- Secured			
Long term loans	339,024	}	USD68,047 AUD8,622 SGD885 INR501,820 JPY1,233,000 KINA3,113
Finance lease payable	75		
Portion of long term loans payable within 12 months	(5,950)		
			333,149
Total		1,931,701	USD386,098 AUD7,640 SGD779 INR516,827 JPY1,233,000 KINA925

Note 23 - Financial Instruments**(a) Outstanding derivatives as at 30th June 2011**

Derivatives	Notional Value RM'000	Fair Value RM'000	Maturity
Interest Rate Swaps	36,267	(3,210)	1 year to 3 years
Interest Rate Swaps	172,346	(17,141)	More than 3 years
Cross Currency Swaps	16,640	(423)	1 year to 3 years
Cross Currency Swaps	73,637	(1,524)	More than 3 years
Cross Currency cum Interest Rate Swaps	664,237	63,066	More than 3 years
Foreign Currency Forward Contracts	1,148,152	(2,757)	Less than 1 year
Embedded Derivatives	691,662	6,757	Less than 1 year

During the six months ended 30th June 2011, 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 financial risk management objectives, policies and processes since the previous financial year end.

(b) Description of the nature of all outstanding derivatives as at 30th June 2011

- (i) An interest rate swap with a notional principal of USD47 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 cum interest rate swap that entitles a jointly-controlled entity in India to convert JPY3,253.8 million to INR1,335.3 million and fixed the entity's obligation to pay interest at a fixed rate of 9.35% per annum. The swap will mature on 31st March 2020.
- (v) A cross currency cum interest rate 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 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 USD14.9 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) A cross currency cum interest rate swap that entitles the Company to convert RM110 million to USD35.6 million and swaps the Company's obligation to pay interest at a fixed rate of 4.03% per annum to a USD floating rate. The swap will mature on 8th October 2015.
- (xiv) A cross currency cum interest rate swap that entitles the Company to convert RM73.6 million to USD24.3 million and swaps the Company's obligation to pay interest at a fixed rate of 5.25% per annum to a MYR floating rate. The swap will mature on 25th March 2014.
- (xv) A cross currency cum interest rate swap that entitles the Company to convert RM16.6 million to USD5.5 million and swaps the Company's obligation to pay interest at a USD floating rate per annum to a MYR floating rate. The swap will mature on 28th September 2016.
- (xvi) An interest rate swap with a notional principal of USD1.25 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 7.1% per annum. The interest rate swap will mature on 20th May 2016.
- (xvii) A cross currency cum interest rate swap that entitles a subsidiary in India to convert USD625,000 to INR28.106 million and fixed the entity's obligation to pay interest at a fixed rate of 6.30% per annum. The swap will mature on 20th May 2016.

- (xviii) An interest rate swap with a notional principal of USD4.0 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 7.1% per annum. The interest rate swap will mature on 11th May 2016.
- (xix) A cross currency cum interest rate swap that entitles a subsidiary in India to convert USD2.0 million to INR89.5 million and fixed the entity's obligation to pay interest at a fixed rate of 6.3% per annum. The swap will mature on 11th May 2016.
- (xx) Foreign currency forward contracts

Currency	Contract Amounts '000	Equivalent Amount in RM'000	Expiry Dates
Japanese Yen	1,980,555	74,433	05/07/2011 - 01/12/2011
United States Dollar	341,573	1,040,257	01/07/2011 - 27/12/2011
Euro	5,549	23,934	07/04/2011 - 26/09/2011
Swedish Kroner	14,131	6,828	05/07/2011 - 30/12/2011
Thai Baht	25,709	2,607	15/07/2011 - 17/10/2011
Singapore Dollar	25	93	18/07/2011

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 an interim single-tier dividend of 20% or 10.0 sen (2010 - 20% or 10.0 sen) per share of RM0.50 each, amounting to a net dividend payable of approximately RM116.8 million (2010 - RM114.8 million) for the year ending 31st December 2011, to be paid on 7th October 2011.

Note 26 - Earnings Per Share

Basic earnings per share for the quarter and six months ended 30th June 2011 are calculated by dividing the net profit attributable to shareholders of RM131,178,000 and RM283,010,000, respectively, by the weighted average number of ordinary shares in issue as at 30th June 2011 of 1,164,619,773 shares of RM0.50 each.

There were no diluted earnings per share as the UMW Employee Share Option Scheme had expired on 17th April 2011.

Note 27 - Realised and Unrealised Profits/Losses

The breakdown of retained profits of the Group as at 31st March 2011 and 30th June 2011, pursuant to the format prescribed by Bursa Securities, are as follows:

	As at 31st March 2011 RM'000	As at 30th June 2011 RM'000
Total retained profits of Company and its subsidiaries:		
- Realised	2,212,629	2,172,877
- Unrealised	(24,565)	8,824
	2,188,064	2,181,701
Total share of retained profits/(accumulated losses) from associated companies:		
- Realised	937,184	989,005
- Unrealised	(2,231)	(34,863)
Total share of retained profits/(accumulated losses) from jointly-controlled entities:		
- Realised	(43,158)	(54,650)
- Unrealised	11,762	11,292
	3,091,621	3,092,485
Less: Consolidation adjustments	(187,154)	(131,240)
Total group retained profits as per consolidated accounts	2,904,467	2,961,245

Note 28 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31st December 2010 was not qualified.

By Order Of The Board

FADZILAH BINTI SAMION
Secretary
(MACS 01262)

Shah Alam
19th August 2011