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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2011
(THE FIGURES HAVE NOT BEEN AUDITED)

	CURRENT QUARTER ENDED 31/12/2011 RM'000	COMPARATIVE QUARTER ENDED 31/12/2010 RM'000	12 MONTHS CUMULATIVE TO DATE 31/12/2011 RM'000	(AUDITED) COMPARATIVE 12 MONTHS CUMULATIVE TO DATE 31/12/2010 RM'000
Continuing Operations				
Revenue	3,477,333	3,417,721	13,556,405	12,820,229
Operating Expenses	(3,244,525)	(3,225,568)	(12,400,322)	(11,822,895)
Other Operating Income	51,362	45,799	124,056	212,337
Profit From Operations	284,170	237,952	1,280,139	1,209,671
Finance Costs	(24,635)	(24,855)	(87,031)	(61,107)
Share Of Profits Of Associated Companies	47,812	(6,709)	125,656	113,806
Investment Income	8,221	18,549	62,477	50,849
Profit Before Taxation	315,568	224,937	1,381,241	1,313,219
Taxation	(135,425)	(89,577)	(418,101)	(340,398)
Profit For The Period	180,143	135,360	963,140	972,821
Other Comprehensive Income:				
Translation Of Foreign Operations	14,269	1,983	16,555	(78,724)
Fair Value Movement On Available-For-Sale Financial Assets	40,402	-	(10,058)	-
Cash Flow Hedge	-	(927)	-	201
Net Asset Accretion In A Subsidiary Arising From Capital Contribution By A Non-Controlling Interest	-	1,582	-	1,582
Other Comprehensive Income Net Of Tax	54,671	2,683	6,497	(76,941)
Total Comprehensive Income For The Period	234,814	137,998	969,637	895,880
Profit For The Period Attributable To:				
Equity Holders Of The Company	50,807	32,956	502,986	526,903
Non-Controlling Interests	129,336	102,404	460,154	445,918
	180,143	135,360	963,140	972,821
Total Comprehensive Income Attributable To:				
Equity Holders Of The Company	109,795	32,355	514,399	445,194
Non-Controlling Interests	125,019	105,643	455,238	450,686
	234,814	137,998	969,637	895,880
EPS Attributable To Equity Holders Of The Company:				
Basic EPS For The Period (Sen)	4.4	2.9	43.1	46.3
Diluted EPS For The Period (Sen)	-	2.9	-	46.1

(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 31/12/2011 RM'000	(AUDITED) AS AT 31/12/2010 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	3,078,809	2,852,305
Investment Properties	79,506	81,488
Intangible Assets	199,415	258,489
Land Use Rights	4,771	4,931
Leased Assets	226,981	193,998
Investments In Associates	1,414,565	1,453,059
Deferred Tax Assets	53,214	41,286
Other Investments	55,297	132,463
Derivative Assets	62,261	63,746
	5,174,819	5,081,765
Current Assets		
Inventories	1,474,299	1,396,135
Trade Receivables	893,469	749,688
Other Receivables	329,178	359,480
Other Investments	391,271	229,963
Derivative Assets	5,171	4,897
Deposits, Cash And Bank Balances	2,208,535	2,195,051
	5,301,923	4,935,214
Non-Current Assets Held For Sale	-	6,839
	5,301,923	4,942,053
TOTAL ASSETS	10,476,742	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	(19,355)	(40,826)
Share Option Reserve	-	14,514
Fair Value Adjustment Reserve	(10,058)	-
Retained Profits	2,906,673	2,752,635
	4,263,264	4,027,093
Non-Controlling Interests	1,320,918	1,239,918
TOTAL EQUITY	5,584,182	5,267,011
Non-Current Liabilities		
Provision For Liabilities	64,347	65,492
Deferred Tax Liabilities	31,998	26,428
Long Term Borrowings	1,910,418	1,858,199
Derivative Liabilities	14,211	21,255
	2,020,974	1,971,374
Current Liabilities		
Provision For Liabilities	67,503	80,818
Taxation	94,042	107,553
Short Term Borrowings	589,548	760,946
Bank Overdrafts	68,687	64,290
Trade Payables	937,480	838,842
Other Payables	949,935	771,455
Derivative Liabilities	6,671	4,882
Dividend Payable	157,720	156,647
	2,871,586	2,785,433
TOTAL LIABILITIES	4,892,560	4,756,807
TOTAL EQUITY AND LIABILITIES	10,476,742	10,023,818
Net Assets Per Share (RM)	**3.6491**	**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 31ST DECEMBER 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
12 MONTHS ENDED 31ST DECEMBER 2011										
At 1st 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	-	-	-	-	-	-	-	-	9,771	9,771
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	-	-	-	-	-	-	(350,487)	(350,487)	(384,009)	(734,496)
Total comprehensive income	-	-	-	21,471	-	(10,058)	502,986	514,399	455,238	969,637
At 31st December 2011	584,147	794,482	7,375	(19,355)	-	(10,058)	2,906,673	4,263,264	1,320,918	5,584,182
12 MONTHS ENDED 31ST DECEMBER 2010										
At 1st 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 adopting FRS 139	-	-	-	-	-	(201)	17,102	16,901	(6,130)	10,771
	559,658	542,045	5,793	42,666	41,038	(201)	2,599,761	3,790,760	1,139,779	4,930,539
Transactions with owners										
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,805	1,805
Increase in share capital of a subsidiary	-	-	-	-	-	-	-	-	324	324
Reduction of non-controlling interest in a subsidiary	-	-	-	-	-	-	-	-	(11,568)	(11,568)
Issue of ordinary shares pursuant to ESOS	17,029	148,139	-	-	-	-	-	165,168	-	165,168
Effect of exercise of ESOS	-	26,524	-	-	(26,524)	-	-	-	-	-
Dividends distributed to equity holders	-	-	-	-	-	-	(374,029)	(374,029)	(341,108)	(715,137)
Total comprehensive income	-	-	1,582	(83,492)	-	201	526,903	445,194	450,686	895,880
At 31st December 2010	576,687	716,708	7,375	(40,826)	14,514	-	2,752,635	4,027,093	1,239,918	5,267,011

(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 31ST DECEMBER 2011

	12 MONTHS ENDED 31/12/2011 RM'000	12 MONTHS ENDED 31/12/2010 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	1,381,241	1,313,219
Adjustments For:		
Depreciation & Amortisation	285,976	298,901
Impairment Losses On Investments	167,700	53,204
Provision For A Maintenance And Repair Contract	101,965	5,000
Net Inventories Written Down	13,832	10,048
Interest Expense	87,031	61,107
Goodwill Impairment	46,388	23,185
Share of Results of Associates	(125,656)	(113,806)
Reversal Of Impairment Losses On Receivables	(16,343)	(4,950)
Net Fair Value Gains On Derivatives	(4,044)	(55,002)
Investment Income	(62,476)	(48,619)
Others	(9,517)	6,498
Operating Profit Before Working Capital Changes	1,866,097	1,548,785
Increase In Receivables	(95,666)	(173,033)
Increase In Inventories	(91,996)	(88,669)
Increase In Payables	158,318	85,593
Cash Generated from Operating Activities	1,836,753	1,372,676
Interest Paid	(79,712)	(59,652)
Taxation Paid	(439,440)	(311,229)
Net Cash Generated From Operating Activities	1,317,601	1,001,795
Cash Flow From Investing Activities		
Net Cash Outflow Arising From Equity Investments	-	(62,251)
Dividends Received	77,482	61,643
Purchase Of Properties, Plant & Equipment	(590,309)	(679,893)
Proceeds From Disposal Of Properties, Plant & Equipment	61,227	81,486
Interest Income	62,477	48,619
Other Investments (Net)	(161,310)	(166,866)
Net Cash Used In Investing Activities	(550,433)	(717,262)
Cash Flow From Financing Activities		
Proceeds From Issuance Of Shares	82,030	165,492
Dividends Paid To Equity Holders Of The Company	(349,415)	(273,586)
Dividends Paid To Non-Controlling Interest	(384,009)	(341,108)
Drawdown Of Loans & Borrowings	52,219	731,539
Repayment Of Loans & Borrowings	(171,398)	(108,228)
Net Cash (Used In)/Generated From Financing Activities	(770,573)	174,109
Net (Decrease)/Increase In Cash And Cash Equivalents	(3,405)	458,642
Cash And Cash Equivalents As At 1st January	2,130,761	1,699,020
Effects Of Exchange Rate Changes	12,492	(26,901)
Cash And Cash Equivalents As At 31st December	2,139,848	2,130,761

(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.

Changes in Accounting Policies

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 financial year ended 31st December 2011.

MASB Approved Accounting Framework

On 19th November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The Group is required to prepare its financial statements for the year ending 31st December 2012 using the MFRS Framework. In presenting its first MFRS financial statements, the Group has to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The adoption of MFRS Framework in 2012 is not expected to result in significant adjustments to the comparative financial statements of the Group.

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

For the year ended 31st December 2011, the Group provided approximately RM322 million in respect of a maintenance and repair contract of an overseas subsidiary and impairment of some of its assets which included overseas investments. Other than the above, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows.

Note 4 - Accounting Estimates

In accordance with FRS116: Property, Plant and Equipment, the residual value and estimated useful life of certain assets under plant and equipment were revised to reflect the expected pattern of consumption of the future economic benefits embodied in the assets. The revision was accounted for as a change in accounting estimates and has the effect of reducing the depreciation charge for the current year by approximately RM14 million.

Other than the above, there were no changes in estimates of amounts that have a material effect in the current financial year.

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 31st December 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.

A final single-tier dividend of 13% or 6.5 sen (2010 - 18% or 9.0 sen) per share of RM0.50 each amounting to a net dividend of RM75.9 million (2010 - RM102.6 million) for the financial year ended 31st December 2010, was paid on 10th August 2011.

A first 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 of RM116.8 million (2010 - RM114.8 million) for the financial year ended 31st December 2011 was paid on 7th October 2011.

Note 7 - Segmental Reporting

	Year Ended 31st December 2011		
Business Segment	**Revenue RM'000**	**Profit Before Taxation RM'000**	**Profit Attributable to Owners of the Company RM'000**
Automotive	9,700,890	1,551,298	692,481
Equipment	2,073,099	63,215	27,598
Oil & Gas	1,126,329	(234,847)	(216,384)
Manufacturing & Engineering	670,890	4,994	1,606
Others	80,889	(3,419)	(2,315)
Sub-Total	**13,652,097**	**1,381,241**	**502,986**
Elimination of Inter-Segment Sales	(95,692)	-	
Consolidated Total	**13,556,405**	**1,381,241**	

Note 8 - Subsequent Material Events

In the opinion of the Directors, there was no material event or transaction during the period from 31st December 2011 to the date of this announcement, which affects substantially the results of the Group for the year ended 31st December 2011.

Note 9 - Changes in Composition/Group

On 29th November 2011, UMW Solomon Islands Limited, a dormant 85%-owned subsidiary of UMW, was placed under voluntary shareholders' liquidation.

Other than the above, there were no changes in the composition of the Group during the quarter ended 31st December 2011.

Note 10 - Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group have increased from RM477 million to RM801 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	79,288	
Equipment, plant and machinery	100,633	
Others	11,865	191,786
Approved but not contracted for:		
Land and buildings	86,500	
Equipment, plant and machinery	341,332	
Others	16,427	444,259
Total		636,045

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	32,096
2.	KYB-UMW Malaysia Sdn. Bhd. and its subsidiary	Perodua Group	Associated Company	Sale of Goods	63,155

No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
3.	UMW Toyota Motor Sdn. Bhd. and its subsidiaries	Perodua Group	Associated Company	Sale of Goods and Services	230,431
				Purchase of Goods and Services	311,348
4.	UMW Industrial Power Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	2,143
5.	UMW Industries (1985) Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	7,346
6.	U-TravelWide Sdn. Bhd.	Perodua Group	Associated Company	Sale of Services	5,615
7.	UMW Toyota Motor Sdn. Bhd.	UMW Toyotsu Motors Sdn. Bhd.	Associated Company	Sale of Goods and Services	148,193
				Purchase of Goods and Services	854
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	927,819
				Purchase of Goods and Services	2,651,393
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	21,267
				Purchase of Assets	8,474
		Toyota Tsusho (Malaysia) Sdn. Bhd.	Corporate Shareholder of KYB-UMW Malaysia Sdn. Bhd.	Sale of Goods and Services	227
				Purchase of Goods and Services	42,178
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	21,764
				Bare Boat Charter	48,930
11.	Jaybee Drilling Private Limited	Jaybee Energy Private Limited	Related Company of Corporate Shareholder of Jaybee Drilling Private Limited	Sale of Goods and Services	11,561

Note 13 - Review of Performance

Current Quarter Ended 31st December 2011

	Revenue		**Profit Before Taxation**	
	Quarter ended 31.12.2011 RM'000	**Quarter ended 31.12.2010 RM'000**	**Quarter ended 31.12.2011 RM'000**	**Quarter ended 31.12.2010 RM'000**
Consolidated Total	**3,477,333**	**3,417,721**	**315,568**	**224,937**
Business Segment:				
Automotive	2,418,267	2,611,978	480,093	329,580
Equipment	531,468	426,425	(44,717)	(1,667)
Oil & Gas	351,240	209,754	(189,857)	(129,075)
Manufacturing & Engineering	172,351	184,141	3,919	(3,633)

Group revenue of RM3,477.3 million for the fourth quarter ended 31st December 2011 exceeded the RM3,417.7 million recorded in the preceding year's corresponding quarter by RM59.6 million or 1.7%. Higher revenue from the Equipment and Oil & Gas segments was more than adequate to offset the lower revenue recorded by the Automotive as well as the Manufacturing & Engineering segments.

Group profit before taxation of RM315.6 million for the fourth quarter ended 31st December 2011 improved from the RM224.9 million registered in the same quarter of 2010. This represented an increase of 40.3% or RM90.7 million. Substantially higher profit contributions from the Automotive segment accounted for the rise in profit.

Consequently, net profit attributable to equity holders of the Company rose from the RM32.9 million registered in the same quarter of 2010 to RM50.8 million in the fourth quarter of 2011, an increase of RM17.9 million or 54.4%.

Automotive Segment

Production of Toyota vehicles in Thailand was halted from 10th October 2011 to 19th November 2011 due to disruptions in the supply of critical parts caused by the recent massive floods in Thailand. This had adversely affected the timely delivery of certain Toyota models to our customers in the last quarter of 2011. As a result, the Automotive segment registered a lower revenue for the quarter ended 31st December 2011.

Despite the lower revenue, the Automotive segment achieved a considerably higher profit due to:

a) favourable exchange rates for USD;
b) lower selling and distribution expenses for run-out models; and
c) improved profit contributions from Perodua as a result of approximately 10% increase in sales volume of Perodua vehicles.

Equipment Segment

Continued strong demand for our heavy and industrial equipment in the last quarter of 2011, both locally and overseas, resulted in the higher revenue. However, substantial provision for a maintenance and repair contract of an overseas subsidiary resulted in the overall loss situation for the quarter.

Oil & Gas Segment

The Oil & Gas segment recorded a 67.5% or RM141.5 million increase in revenue for the current quarter compared to the same quarter last year due to:

a) the higher day-rate for Naga 1 coupled with full-quarter revenue contributions by Naga 2 and Naga 3. Naga 1 is a semi-submersible rig whereas Naga 2 and 3 are premium jack-up rigs;
b) Naga 3 was not income-generating in the last quarter of 2010;
c) substantial increase in sales of oilfield products; and
d) higher revenue contribution from our new OCTG plant in India as operating capacity increased from 22% in the last quarter of 2010 to 33% in the last quarter of 2011.

As a result of the higher revenue, the operating results of the Oil & Gas segment showed a turnaround, from a loss of RM50.0 million incurred in the last quarter of 2010 to a profit of RM7.4 million in the current quarter. However, unfavourable movement in fair value of our overseas quoted investments coupled with impairment of certain assets and investments, resulted in the current quarter's loss of RM189.9 million.

Manufacturing & Engineering Segment

Revenue for the current quarter saw a slight dip mainly due to the switching of the power steering system from hydraulic to electric for certain new vehicle models that included the new Perodua Myvi. This had resulted in lost sale to the Group for the current quarter. Sales of 4-wheeler absorbers also dropped with car assemblers expanding their sourcing to countries like Indonesia and Thailand.

In spite of the lower revenue, the current quarter remained profitable as against a loss of RM3.6 million registered in the preceding year's corresponding quarter. Write-down of assets to realisable value and provision for incidental expenses to cease the operations of a subsidiary, accounted for the loss in the last quarter of 2010.

Financial Year Ended 31st December 2011

	Revenue		Profit Before Taxation	
	Year ended 31.12.2011 RM'000	Year ended 31.12.2010 RM'000	Year ended 31.12.2011 RM'000	Year ended 31.12.2010 RM'000
Consolidated Total	**13,556,405**	**12,820,229**	**1,381,241**	**1,313,219**
Business Segment:				
Automotive	9,700,890	9,942,836	1,551,298	1,378,019
Equipment	2,073,099	1,593,050	63,215	103,899
Oil & Gas	1,126,329	665,513	(234,847)	(180,428)
Manufacturing & Engineering	670,890	641,057	4,994	39,099

Group revenue of RM13,556.4 million for the financial year ended 31st December 2011 surpassed the RM12,820.2 million registered in the year of 2010 by RM736.2 million or 5.7%. Substantial revenue increase achieved by the Equipment and Oil & Gas segments far exceeded the revenue reduction of the Automotive segment.

Despite lower profit contributions from both the Equipment and Manufacturing & Engineering segments, Group profit before taxation for the financial year ended 31st December 2011 improved to RM1,381.2 million from the RM1,313.2 million recorded in the year of 2010 due to the significantly higher profit registered by the Automotive segment. This represented an increase of RM68.0 million or 5.2%.

However, net profit attributable to equity holders of the Company for the financial year ended 31st December 2011 declined from the RM526.9 million achieved in the year of 2010 to RM503.0 million due to non-recognition of deferred tax assets of an overseas subsidiary and no tax deduction for asset impairment losses.

Automotive Segment

UMW Toyota recorded a 2.4% dip in revenue primarily due to production disruptions caused by the earthquake and tsunami in Japan as well as the recent massive floods in Thailand. Vehicle sales fell by approximately 3.6% or 3,317 units compared to the 91,910 units sold in 2010. Notwithstanding the lower revenue, profit before tax improved by RM173.3 million or 12.5%, predominantly due to exceptionally favourable exchange rates for USD and higher other income.

Total sales of Toyota and Perodua vehicles of 270,440 units represented 45.1% of the total industry volume of 600,123 units reported by the Malaysian Automotive Association for the financial year ended 31st December 2011.

Equipment Segment

In 2011, the Equipment segment recorded a 30.1% increase in revenue as a result of the following:

a) unusually high demands for timber by Japan for its reconstruction programmes following the March 2011 earthquake and tsunami. This had resulted in strong demand for our heavy equipment from the timber industry;
b) successfully secured a contract for the delivery of 200 units of Komatsu mining equipment in 2011 worth RM300 million; and
c) Sale of fire trucks with a total value of RM52.5 million.

However, substantial provision for a maintenance and repair contract of an overseas subsidiary has resulted in the profit before tax of this segment to fall to RM63.2 million from the RM103.9 million achieved in 2010.

Oil & Gas Segment

Operating results of our Oil & Gas segment returned to profitability in 2011. The segment recorded an operating profit of RM6.4 million in 2011 as opposed to an operating loss of RM123.5 million incurred in 2010. Both revenue and operating results improved in 2011 as a result of the following:

a) Naga 1 contract was extended by Petronas Carigali Sdn Bhd for another 5 years at a higher operating rate effective December 2010;
b) full-year contribution from Naga 2, a premium jack-up rig which commenced drilling operations in September 2010;
c) Naga 3, another premium jack-up rig, secured a drilling contract from Petronas Carigali Sdn Bhd and has been income-generating since March 2011;
d) full-year contribution from our land rigs, Ghazal 1, 3 and 4 and additional contribution from Ghazal 5, which commenced operation in July 2011; and
e) increase in plant capacity utilisation by United Seamless Tubulaar Private Limited's new OCTG plant in India.

However, unfavourable fair value movements in hedging instruments and some of our investments quoted overseas coupled with impairment of certain assets and investments, resulted in the loss of RM234.8 million for the year 2011.

Manufacturing & Engineering Segment

The slow-down in vehicle sales caused by the tsunami in Japan affected demand for our automotive parts. In addition, the substitution of hydraulic with electric power steering system for certain new vehicle models also adversely affected demand for our KYB products. Notwithstanding the above, the Manufacturing & Engineering segment registered a higher revenue for the year 2011 due to additional revenue contributions from our new plants in India and China coupled with higher sales of lubricant products.

However, the segment recorded a lower profit before tax for the year 2011 despite the higher revenue, in view of the following:

a) substantial increase in the cost of base oil; and
b) our newly-completed plants in India and China were still in the initial stages of operating below breakeven capacity.

Note 14 - Comparison with Preceding Quarter's Results

	Revenue		**Profit Before Taxation**	
	Quarter ended 31.12.2011 RM'000	**Quarter ended 30.9.2011 RM'000**	**Quarter ended 31.12.2011 RM'000**	**Quarter ended 30.9.2011 RM'000**
Consolidated Total	**3,477,333**	**3,691,437**	**315,568**	**414,154**
Business Segment:				
Automotive	2,418,267	2,616,123	480,093	437,131
Equipment	531,468	631,416	(44,717)	35,579
Oil & Gas	351,240	295,067	(189,857)	(22,220)
Manufacturing & Engineering	172,351	163,668	3,919	(7,552)

Group revenue of RM3,477.3 million for the fourth quarter ended 31st December 2011 was RM214.1 million or 5.8% lower than the RM3,691.4 million recorded in the third quarter of 2011. The revenue reduction was due to:

a) delay in the delivery of Toyota cars caused by production disruptions of Toyota vehicles in Thailand as a result of the recent floods;
b) Slow-down in logging activities due to bad weather conditions; and
c) the record sale of fire trucks was fully delivered in the third quarter of 2011.

Group profit before taxation for the fourth quarter ended 31st December 2011 moderated to RM315.6 million from the RM414.2 million registered in the third quarter of 2011, a decline of 23.8% or RM98.6 million. The lower profit was mainly attributable to:

a) substantial provision made for an overseas maintenance and repair contract; and
b) unfavourable movement in fair value of our overseas quoted investments coupled with impairment of certain assets and investments.

Write-back of provisions no longer required at year end resulted in the higher profit for the Automotive segment.

Note 15 - Current Prospects

Automotive Segment

The Malaysian Automotive Association forecasts the Total Industry Volume ("TIV") for the year 2012 to improve from the 600,123 units achieved in 2011 to 615,000 units, an increase of 2.5% or 14,877 units. Factors taken into consideration in the forecast include:

- the extension of tax incentives for hybrid and electric cars by another two years to 2013;
- introduction of several new and exciting models by car manufacturers; and
- positive consumer sentiment from greater stability in the employment market.

Collectively, Perodua and UMW Toyota target to sell a total of 281,000 units or 45.7% of the TIV in 2012. This represents an increase of 10,560 units or 3.9% over the 270,440 units sold in 2011. A higher sales volume for 2012 was forecasted by virtue of the following:

- strong demand for the New Myvi model launched in June 2011;
- full model change for Lexus GS series and Camry;
- introduction of a new hybrid car, Prius C; and
- improved model for Vios, Hilux and Fortuner.

However, profit margins are expected to be eroded by more costly importations and higher advertising and promotion costs for new product launches.

Equipment Segment

Revenue for the Equipment segment is expected to be maintained at the 2011 level. This is because the higher revenue from the stronger demand for our mining equipment is likely to be offset by lower revenue contributions from:

- the logging sector, as demand for timber is expected to return to normalcy in 2012; and
- sales of fire trucks as demand is expected to be low in 2012 after the major delivery in 2011.

However, profitability of this segment is expected to improve significantly as neither asset impairment nor further provision for the maintenance and repair contract are anticipated for the year 2012.

Oil & Gas Segment

Operating profit of the Oil & Gas segment is expected to improve significantly in 2012 in consideration of the following:

a) full-year contribution from Naga 3;
b) additional contributions from Gait V, a new work-over rig and Hakuryu 5, a semi-submersible rig;
c) higher day-rates for our land rigs, Ghazal 3 and 4 and full-year contribution from Ghazal 5; and
d) the installation and commissioning of equipment and facilities for the Garraf Power Plant in Iraq is expected to be substantially completed in 2012.

However, the dry-docking of Naga 1 for several months in 2012 will have some impact, albeit not substantial, on the operating profit.

Changes in fair value of our overseas investments as well as hedging instruments used to hedge various financial risks may affect the overall performance of the Oil & Gas segment for the year 2012.

Manufacturing & Engineering Segment

Performance of this segment is expected to improve considering the following major activities planned for 2012:

a) higher capacity utilisation for our four new automotive component plants in India;
b) improved plant capacity utilisation up to 64% for our new lubricant plant located in Xinhui; and
c) increased sales of Repsol and Pennzoil lubricant products.

Note 16 - Statement on Headline Key Performance Indicators

Based on the 2011 unaudited results, the Company achieved an annual return on shareholders' funds of approximately 12.1% or 2.1% above its minimum Key Performance Indicators ("KPI") of 10%. Similarly, total dividend payout of approximately 72.7% of the unaudited net profit attributable to shareholders (after excluding unrealised profits) for the financial year ended 31st December 2011, exceeded its KPI of at least 50% by 22.7%.

The Headline KPIs of the Company for the financial year ending 31st December 2012 are as follows:

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 31st December 2011 RM'000	Year Ended 31st December 2011 RM'000
Current period's provision	133,262	426,222
Under/(Over) provision in prior periods	(1,126)	(1,763)
	132,136	424,459
Deferred taxation	3,289	(6,358)
Total	135,425	418,101

The effective tax rates for the quarter and financial year ended 31st December 2011 were 51.0% and 33.4%, respectively. The effective tax rates were much higher than the statutory tax rate of 25% primarily due to:

a) asset impairment losses and certain expenses were not allowable for tax purposes;

b) non-recognition of deferred tax assets for some subsidiaries; and

c) higher tax rates for certain overseas subsidiaries.

Note 19 - Corporate Proposals

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

Note 20 - Group Borrowings and Debt Securities

		RM'000	RM'000	'000
(a)	Short term borrowings			
	- Unsecured			
	Short term loans and trade facilities	398,865		USD25,519 SGD1,044
	Finance lease payable	118		
	Portion of long term loans payable within 12 months	124,490	523,473	USD37,185
	- Secured			
	Short term loans and trade facilities	37,365		AUD759 INR544,843 SGD976
	Finance lease payable	419		SGD172
	Portion of long term loans payable within 12 months	28,291	66,075	AUD7,640 SGD137 KINA2,188
	Total		589,548	USD62,704 SGD2,329 AUD8,399 INR544,843 KINA2,188
(b)	Long term borrowings			
	- Unsecured			
	Long term loans	1,718,165		USD347,878 INR14,306 VND31,242,000
	Finance lease payable	387		
	Portion of long term loans payable within 12 months	(124,490)	1,594,062	(USD37,185)
	- Secured			
	Long term loans	344,268		USD64,664 AUD10,040 SGD1,787 INR445,960 JPY1,164,500 KINA2,453 RMB4,109
	Finance lease payable	379		SGD5
	Portion of long term loans payable within 12 months	(28,291)	316,356	(AUD7,640) (SGD137) (KINA2,188)
	Total		1,910,418	USD375,357 AUD2,400 SGD1,655 INR460,266 JPY1,164,500 VND31,242,000 RMB4,109 KINA265

Note 21 - Material Litigation

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

Note 22 - Dividend

a) The Board is pleased to declare a final single-tier dividend of 15% or 7.5 sen (2010 - 13% or 6.5 sen) per share of RM0.50 each, amounting to a net dividend payable of approximately RM87.6 million (2010 - RM75.9 million) for the financial year ended 31st December 2011. The proposed final dividend, if approved by shareholders, will be paid on 10th August 2012.

b) The total single-tier dividend for the financial year ended 31st December 2011 would be 31.0 sen or 62% per share of RM0.50 each, amounting to approximately RM362.2 million of net dividend (2010 - 30 sen or 60% per share of RM0.50 each, amounting to a net dividend of RM347.3 million). This payout represents approximately 72.7% of the 2011 net profit attributable to shareholders of UMW (net of unrealised gains) against our target headline KPI for dividends of at least 50%, as stated in Note 16 above.

Note 23 - Earnings Per Share

Basic earnings per share for the quarter and financial year ended 31st December 2011 are calculated by dividing the net profit attributable to shareholders of RM50.8 million and RM503.0 million, respectively, by the weighted average number of ordinary shares in issue as at 31st December 2011 of 1,166,471,952 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 24 - Realised and Unrealised Profits/Losses

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

	As at 30th September 2011 RM'000	**As at 31st December 2011 RM'000**
Total retained profits/(accumulated losses) of Company and its subsidiaries:		
- Realised	2,218,662	2,255,599
- Unrealised	(6,186)	(981)
	2,212,476	2,254,618
Total share of retained profits/(accumulated losses) from associated companies:		
- Realised	1,012,337	1,064,443
- Unrealised	(46,982)	(41,062)
Total share of retained profits/(accumulated losses) from jointly-controlled entities:		
- Realised	(70,201)	(74,364)
- Unrealised	2,213	(7,649)
	3,109,843	3,195,986
Less: Consolidation adjustments	(96,258)	(289,313)
Total group retained profits as per consolidated accounts	3,013,585	2,906,673

Note 25 - Audit Qualification

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

Note 26 - Items to Disclose in the Statement of Comprehensive Income

	Quarter Ended 31st December 2011 RM'000	Year Ended 31st December 2011 RM'000
a) Interest income	6,815	56,233
b) Other investment income	1,406	6,244
c) Depreciation and amortisation	(82,086)	(285,976)
d) Reversal of allowance for impairment of receivables (net)	6,336	7,627
e) Write-back/write-down of inventories	775	(219)
f) (Loss)/gain on disposal of quoted or unquoted Investment	(96)	443
g) (Loss)/gain on disposal of properties	(62)	6,993
h) Impairment of assets	(201,755)	(220,421)
i) Net foreign exchange gain/(loss)	24,382	(867)
j) Gain on derivatives	18,256	4,746
k) Exceptional item - provision for a maintenance and repair contract	(75,965)	(101,965)

By Order Of The Board

FADZILAH BINTI SAMION
Secretary
(MACS 01262)

Shah Alam
24th February 2012