

UMW HOLDINGS BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
THIRD QUARTER ENDED 30TH SEPTEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT QUARTER ENDED 30/09/2012 RM'000	RESTATED COMPARATIVE QUARTER ENDED 30/09/2011 RM'000	9 MONTHS CUMULATIVE TO DATE 30/09/2012 RM'000	RESTATED COMPARATIVE 9 MONTHS CUMULATIVE TO DATE 30/09/2011 RM'000
<u>Continuing Operations</u>				
Revenue	3,964,251	3,691,437	11,799,882	10,079,072
Operating Expenses	(3,495,053)	(3,341,645)	(10,504,058)	(9,206,257)
Other Operating Income	78,405	19,098	141,508	72,694
Profit From Operations	547,603	368,890	1,437,332	945,509
Finance Costs	(25,554)	(20,355)	(78,144)	(62,396)
Share Of Profits Of Associated Companies	53,659	21,056	123,214	77,844
Investment Income	21,853	22,303	58,733	54,256
Profit Before Taxation	597,561	391,894	1,541,135	1,015,213
Taxation	(122,520)	(113,750)	(345,555)	(282,676)
Profit For The Period	475,041	278,144	1,195,580	732,537
<u>Other Comprehensive Income:</u>				
Translation Of Foreign Operations	(11,834)	2,790	(14,642)	2,286
Cash Flow Hedge	41	-	22	-
Other Comprehensive Income Net Of Tax	(11,793)	2,790	(14,620)	2,286
Total Comprehensive Income For The Period	463,248	280,934	1,180,960	734,823
<u>Profit For The Period Attributable To:</u>				
Equity Holders Of The Company	299,125	146,909	743,404	401,719
Non-Controlling Interests	175,916	131,235	452,176	330,818
	475,041	278,144	1,195,580	732,537
<u>Total Comprehensive Income Attributable To:</u>				
Equity Holders Of The Company	285,632	150,009	728,005	404,604
Non-Controlling Interests	177,616	130,925	452,955	330,219
	463,248	280,934	1,180,960	734,823
<u>EPS Attributable To Equity Holders Of The Company:</u>				
Basic EPS For The Period (Sen)	25.60	12.60	63.63	34.46
Diluted EPS For The Period (Sen)	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/09/2012 RM'000	(RESTATED AUDITED) AS AT 31/12/2011 RM'000	(RESTATED AUDITED) AS AT 01/01/2011 RM'000
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	2,975,870	3,077,195	2,852,305
Investment Properties	76,794	77,574	81,488
Intangible Assets	209,851	199,415	258,489
Land Use Rights	4,651	4,771	4,931
Leased Assets	257,140	226,936	193,998
Investments In Associates	1,494,698	1,424,444	1,453,059
Investments In Jointly-Controlled Entity	36,708	-	-
Deferred Tax Assets	58,448	56,521	41,286
Other Investments	66,974	54,730	132,463
Derivative Assets	52,191	62,261	63,746
	5,233,325	5,183,847	5,081,765
Current Assets			
Inventories	1,893,841	1,518,883	1,396,135
Trade Receivables	1,040,019	891,946	749,688
Other Receivables	647,990	325,628	359,480
Other Investments	587,499	391,271	229,963
Derivative Assets	10,198	5,404	4,897
Deposits, Cash And Bank Balances	2,193,858	2,219,430	2,195,051
	6,373,405	5,352,562	4,935,214
Non-Current Assets Held For Sale	4,548	4,548	6,839
	6,377,953	5,357,110	4,942,053
TOTAL ASSETS	11,611,278	10,540,957	10,023,818
EQUITY AND LIABILITIES			
Equity Attributable To Equity Holders Of The Company			
Share Capital	584,147	584,147	576,687
Share Premium	794,482	794,482	716,708
Capital Reserve	396	396	1,469
Foreign Currency Translation Reserve	(41,765)	(26,344)	(40,826)
Share Option Reserve	-	-	14,514
Hedging Reserve	22	-	-
Retained Profits	3,435,435	2,896,483	2,758,541
	4,772,717	4,249,164	4,027,093
Non-Controlling Interests	1,305,164	1,328,904	1,239,918
TOTAL EQUITY	6,077,881	5,578,068	5,267,011
Non-Current Liabilities			
Provision For Liabilities	68,006	69,132	65,016
Deferred Tax Liabilities	34,761	34,040	26,428
Long Term Borrowings	1,914,849	1,743,296	1,858,199
Derivative Liabilities	12,405	19,852	21,255
	2,030,021	1,866,320	1,970,898
Current Liabilities			
Provision For Liabilities	61,309	79,213	81,294
Taxation	127,294	83,410	107,553
Short Term Borrowings	776,362	776,887	760,946
Bank Overdrafts	65,120	73,821	64,290
Trade Payables	1,160,833	789,755	838,842
Other Payables	1,178,761	1,134,500	771,454
Derivative Liabilities	16,868	1,263	4,883
Dividend Payable	116,829	157,720	156,647
	3,503,376	3,096,569	2,785,909
TOTAL LIABILITIES	5,533,397	4,962,889	4,756,807
TOTAL EQUITY AND LIABILITIES	11,611,278	10,540,957	10,023,818
Net Assets Per Share (RM)	4.085	3.637	3.492

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2012

	NON-DISTRIBUTABLE			DISTRIBUTABLE			NON-DISTRIBUTABLE			DISTRIBUTABLE		
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	FAIR VALUE ADJUSTMENT RESERVE RM'000	HEDGING RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	TOTAL EQUITY RM'000	
9 MONTHS ENDED 30TH SEPTEMBER 2012												
At 1 st January 2012	584,147	794,482	6,302	(26,344)	(16,235)	-	2,906,812	4,249,164	1,328,904	5,578,068	5,578,068	
Effects of Applying MFRS	-	-	(5,906)	-	16,235	-	(10,329)	-	-	-	-	
At 1 st January 2012 (Restated)	584,147	794,482	396	(26,344)	-	-	2,896,483	4,249,164	1,328,904	5,578,068	5,578,068	
Transactions with owners												
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	-	-	22,012	22,012	22,012	
Reduction of minority interest in subsidiaries	-	-	-	-	-	-	-	-	(438)	(438)	(438)	
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	(19)	(19)	(19)	
Dividends distributed to equity holders	-	-	-	-	-	-	(204,452)	(204,452)	(498,250)	(702,702)	(702,702)	
Total comprehensive income	-	-	-	(15,421)	-	22	743,404	728,005	452,955	1,180,960	1,180,960	
At 30 th September 2012	584,147	794,482	396	(41,765)	-	22	3,435,435	4,772,717	1,305,164	6,077,881	6,077,881	

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

	NON-DISTRIBUTABLE			DISTRIBUTABLE			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	HEDGING RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	TOTAL EQUITY RM'000	
9 MONTHS ENDED 30TH SEPTEMBER 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	5,267,011	
Effects of Applying MFRS	-	-	(5,906)	-	-	-	5,906	-	-	-	-	
At 1 st January 2011 (Restated)	576,687	716,708	1,469	(40,826)	14,514	-	2,758,541	4,027,093	1,239,918	5,267,011	5,267,011	
Transactions with owners												
Issue of ordinary shares by subsidiary	-	-	-	-	-	-	-	-	9,629	9,629	9,629	
Issue of ordinary shares pursuant to ESOS	7,460	64,799	-	-	-	-	-	72,259	-	72,259	72,259	
Effect of exercise of ESOS	-	12,975	-	-	(14,514)	-	1,539	-	-	-	-	
Dividends distributed to equity holders	-	-	-	-	-	-	(192,768)	(192,768)	(374,817)	(567,585)	(567,585)	
Total comprehensive income	-	-	-	2,885	-	-	401,719	404,604	330,219	734,823	734,823	
At 30 th September 2011 (Restated)	584,147	794,482	1,469	(37,941)	-	-	2,969,031	4,311,188	1,204,949	5,516,137	5,516,137	

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to the interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2012

	9 MONTHS ENDED 30/09/2012 RM'000	RESTATED 9 MONTHS ENDED 30/09/2011 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	1,541,135	1,015,213
Adjustments For:		
Depreciation & Amortisation	222,387	203,890
Impairment Losses On Investments/Assets	23,869	71,552
Net Inventories (Written Back)/Written Down	(3,242)	56,443
Interest Expense	78,144	62,396
Share of Results Of Associates	(123,214)	(77,844)
Reversal Of Impairment Losses On Receivables	(2,864)	(1,047)
Net Foreign Exchange And Fair Value (Gain)/Loss	(7,042)	10,310
Interest & Dividend Income	(58,733)	(54,256)
Others	(41,667)	(12,536)
Operating Profit Before Working Capital Changes	1,628,773	1,274,121
Increase In Receivables	(460,188)	(73,693)
Increase In Inventories	(371,716)	(123,951)
Increase In Payables	356,167	393,412
Cash Generated From Operating Activities	1,153,036	1,469,889
Interest Paid	(57,416)	(47,057)
Taxation Paid	(310,260)	(265,918)
Net Cash Generated From Operating Activities	785,360	1,156,914
Cash Flow From Investing Activities		
Net Cash Outflow Arising From Equity Investments	(10,909)	-
Dividends Received	54,301	57,087
Purchase Of Properties, Plant & Equipment	(196,816)	(436,738)
Proceeds From Disposal Of Properties, Plant & Equipment	78,344	51,675
Interest & Dividend Income	58,733	54,256
Other Investments (Net)	(231,667)	(148,960)
Net Cash Used In Investing Activities	(248,014)	(422,680)
Cash Flow From Financing Activities		
Proceeds From Issuance Of Shares	22,012	81,888
Dividend Paid To Equity Holders Of The Company	(245,342)	(232,586)
Dividend Paid To Non-controlling Interests	(498,249)	(374,817)
Drawdown/(Repayment) Of Loans & Borrowings	171,028	(135,306)
Net Cash Used In Financing Activities	(550,551)	(660,821)
Net (Decrease)/Increase In Cash And Cash Equivalents	(13,205)	73,413
Cash And Cash Equivalents As At 1st January	2,145,609	2,130,761
Effects Of Exchange Rate Changes	(3,666)	7,713
Cash And Cash Equivalents As At 30th September	2,128,738	2,211,887

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim Financial Statements)

Note 1 - Significant Accounting Policies and Application of MFRS 1

First-time adoption of Malaysian Financial Reporting Standards (“MFRS”)

The condensed consolidated interim financial statements for the nine-months period ended 30th September 2012 have been prepared by using the MFRS Framework and are in accordance with MFRS 134 Interim Financial Reporting and Chapter 9, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The above-stated financial statements are the Group’s first MFRS condensed consolidated interim financial statements prepared for the third quarter of the financial year ending 31st December 2012, the Group’s first year of adoption of MFRS. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* (“MFRS 1”) has been applied.

Significant accounting policies and application of MFRS 1

The significant accounting policies adopted in preparing the condensed consolidated interim financial statements for the period ended 30th September 2012 under MFRS are consistent with those in the audited financial statements for the year ended 31st December 2011 prepared under FRS, except for some changes resulting from the adoption of MFRS. Generally, the requirements under FRS and MFRS are similar except for certain differences. These changes were disclosed in the Interim Financial Statements for the first quarter ended 31st March 2012.

Under MFRS 1, the Group is required to restate certain amounts previously reported in the financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group’s financial positions and financial performance is set out below. The transition from FRS to MFRS has not had a material impact on the statement of cash flows of the Group.

(i) Reconciliation of Equity As At 30th September 2011

	FRS As At 30/09/2011 RM'000	*PPE Deemed Cost RM'000	**FVTPL Financial Assets RM'000	MFRS As At 30/09/2011 RM'000
Non-Current Assets				
Other Investments				
- Held To Maturity	1,000	-	-	1,000
- FVTPL	24,850	-	27,315	52,165
- Available-For-Sale	31,927	-	(27,315)	4,612
Other Non-Current Assets	5,168,101	-	-	5,168,101
Total Non-Current Assets	5,225,878	-	-	5,225,878
Total Current Assets	5,342,818	-	-	5,342,818
TOTAL ASSETS	10,568,696	-	-	10,568,696
Equity Attributable To The Equity Holders Of The Company				
Share Capital	584,147	-	-	584,147
Share Premium	794,482	-	-	794,482
Capital Reserve	7,375	(5,906)	-	1,469
Foreign Currency Translation Reserve	(37,941)	-	-	(37,941)
Fair Value Adjustment Reserve	(50,460)	-	50,460	-
Retained Profits	3,013,585	5,906	(50,460)	2,969,031
	4,311,188	-	-	4,311,188
Non-Controlling Interests	1,204,949	-	-	1,204,949
Total Equity	5,516,137	-	-	5,516,137
TOTAL LIABILITIES	5,052,559	-	-	5,052,559
TOTAL EQUITY AND LIABILITIES	10,568,696	-	-	10,568,696

*PPE - Property, Plant and Equipment

**FVTPL - Fair Value Through Profit or Loss

(ii) **Reconciliation of Total Comprehensive Income for The 3rd Quarter Ended 30th September 2011**

	FRS 3rd Quarter 30/09/2011 RM'000	FVTPL Financial Assets RM'000	MFRS 3rd Quarter 30/09/2011 RM'000
<u>Continuing Operations</u>			
Revenue	3,691,437	-	3,691,437
Operating Expenses	(3,319,385)	(22,260)	(3,341,645)
Other Operating Income	19,098	-	19,098
Profit From Operations	391,150	(22,260)	368,890
Finance Costs	(20,355)	-	(20,355)
Share Of Profits Of Associated Companies	21,056	-	21,056
Investment Income	22,303	-	22,303
Profit Before Taxation	414,154	(22,260)	391,894
Taxation	(113,750)	-	(113,750)
Profit For The Period	300,404	(22,260)	278,144
<u>Other Comprehensive Income:</u>			
Translation Of Foreign Operations	2,790	-	2,790
Fair Value Movement On Available-For-Sale Financial Assets	(22,260)	22,260	-
Other Comprehensive Income Net Of Tax	(19,470)	22,260	2,790
Total Comprehensive Income For The Period	280,934	-	280,934
<u>Profit For The Period Attributable To:</u>			
Equity Holders Of The Company	169,169	(22,260)	146,909
Non-Controlling Interests	131,235	-	131,235
	300,404	(22,260)	278,144
<u>Total Comprehensive Income Attributable To:</u>			
Equity Holders Of The Company	150,009	-	150,009
Non-Controlling Interests	130,925	-	130,925
	280,934	-	280,934

(iii) Reconciliation of Total Comprehensive Income for The Nine Months Ended 30th September 2011

	FRS 30/09/2011 RM'000	FVTPL Financial Assets RM'000	MFRS 30/09/2011 RM'000
<u>Continuing Operations</u>			
Revenue	10,079,072	-	10,079,072
Operating Expenses	(9,155,797)	(50,460)	(9,206,257)
Other Operating Income	72,694	-	72,694
Profit From Operations	995,969	(50,460)	945,509
Finance Costs	(62,396)	-	(62,396)
Share Of Profits Of Associated Companies	77,844	-	77,844
Investment Income	54,256	-	54,256
Profit Before Taxation	1,065,673	(50,460)	1,015,213
Taxation	(282,676)	-	(282,676)
Profit For The Period	782,997	(50,460)	732,537
<u>Other Comprehensive Income:</u>			
Translation Of Foreign Operations	2,286	-	2,286
Fair Value Movement On Available-For-Sale Financial Assets	(50,460)	50,460	-
Other Comprehensive Income Net Of Tax	(48,174)	50,460	2,286
Total Comprehensive Income For The Period	734,823	-	734,823
<u>Profit For The Period Attributable To:</u>			
Equity Holders Of The Company	452,179	(50,460)	401,719
Non-Controlling Interests	330,818	-	330,818
	782,997	(50,460)	732,537
<u>Total Comprehensive Income Attributable To:</u>			
Equity Holders Of The Company	404,604	-	404,604
Non-Controlling Interests	330,219	-	330,219
	734,823	-	734,823

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, agricultural and mining 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 material unusual items affecting assets, liabilities, equity, net income, or cash flows except as disclosed in Note 1 above.

Note 4 - Accounting Estimates

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

Note 5 - Issuance or Repayment of Debt and Equity Securities

There were no issuances and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 30th September 2012.

Note 6 - Dividends Paid

A second interim single-tier dividend of 27% or 13.5 sen (2011 - 27% or 13.5 sen) per share of RM0.50 each amounting to a net dividend of RM157.7 million (2011 - RM156.6 million) for the financial year ended 31st December 2011, was paid on 10th February 2012.

A final single-tier dividend of 15% or 7.5 sen (2011 - 13% or 6.5 sen) per share of RM0.50 each amounting to a net dividend of RM87.6 million (2011 - RM75.9 million) for the financial year ended 31st December 2011, was paid on 10th August 2012.

Note 7 - Segmental Reporting

	Nine Months Ended 30th September 2012		
Business Segment	Revenue RM'000	Profit Before Taxation RM'000	Profit Attributable to Owners of the Company RM'000
Automotive	8,468,888	1,372,228	616,869
Equipment	1,702,674	164,211	124,790
Oil & Gas	1,139,854	52,878	42,533
Manufacturing & Engineering	525,048	5,032	(5,275)
Others	67,786	(53,214)	(35,513)
Sub-Total	11,904,250	1,541,135	743,404
Elimination of Inter-Segment Sales	(104,368)	-	
Consolidated Total	11,799,882	1,541,135	

Total assets have increased in tandem with higher levels of revenue and profitability. Other than that, there has been no material change in total assets and no difference in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

Note 8 - Subsequent Material Events

In the opinion of the Directors, there was no material event or transaction during the period from 30th September 2012 to the date of this announcement, which affects substantially the results of the Group for the period ended 30th September 2012.

Note 9 - Changes in Composition/Group

On 6th July 2012, UMW Corporation Sdn Bhd, a wholly-owned subsidiary of UMW, established a wholly-owned subsidiary known as UMW M&E Limited ("UMW M&E") in the Federal Territory of Labuan. The intended principal activity of UMW M&E is investment holding. The initial paid-up capital of UMW M&E is USD1.00 divided into 1 ordinary share of USD1.00.

On 30th August 2012, UMW received notification that Technics Offshore Engineering Pte Ltd ("TECHNICS") had received the Investment Certificate from the Management Board of Ba Ria-Vung Tau Industrial Zone, approving the capital transfer of Vietnam Offshore Fabrication & Engineering Co Ltd ("VOFE") to TECHNICS. With the completion of the disposal, VOFE is no longer a subsidiary in the UMW Group.

Other than the above, there were no changes in the composition of the Group during the quarter ended 30th September 2012.

Note 10 - Commitments for the Purchase of Property, Plant and Equipment

These are in respect of capital commitments -

	RM'000	RM'000
Approved and contracted for:		
Land and buildings	78,374	
Equipment, plant and machinery	152,636	
Others	8,689	239,699
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Approved but not contracted for:		
Land and buildings	57,539	
Equipment, plant and machinery	162,383	
Others	8,534	228,456
	<hr/>	<hr/>
Total		468,155
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Note 11 - 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	22,986
2.	KYB-UMW Malaysia Sdn Bhd and its subsidiary	Perodua Group	Associated Company	Sale of goods	42,432
3.	UMW Toyota Motor Sdn Bhd and its subsidiaries	Perodua Group	Associated Company	Sale of Goods and Services	91,508
4.	UMW Industrial Power Sdn Bhd	Perodua Group	Associated Company	Sale of Goods and Services	1,349
5.	UMW Industries (1985) Sdn Bhd	Perodua Group	Associated Company	Sale of Goods and Services	5,303
6.	U-Travelwide Sdn Bhd	Perodua Group	Associated Company	Sale of Services	3,617
7.	UMW Toyota Motor Sdn Bhd and its subsidiaries	Toyotsu Motors	Associated Company	Sale of Goods and Services	143,482
				Purchase of Goods and Services	579

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 Toyota Motor Sdn Bhd	Sale of Goods and Services	807,835
				Purchase of Goods and Services	2,526,598
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	14,315
				Purchase of assets	5,486
				Sale of Goods and Services	84
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	26,016
				Bare boat charter	4,835
11.	UMW Jaybee Drilling Pvt Ltd	Jaybee Energy Pte Ltd	Related Company of Corporate Shareholder of UMW Jaybee Drilling Pvt Ltd	Sale of Goods and Services	9,984
12.	UMW Sher (L) Ltd	Jaybee Energy Pte Ltd	Related Company of Corporate Shareholder of UMW Jaybee Drilling Pvt Ltd	Bare boat charter	9,562
				Purchase of Goods and Services	515

Note 12 - Classification of Financial Assets

In accordance with MFRS 1, the Group re-classified its investment in Hilong Holding Limited, a company quoted in the Hang Seng Stock Exchange, as financial asset at fair value through profit or loss as at 1st January 2011. This financial asset was previously designated as available-for-sale financial asset under FRS.

Other than the above re-designation, there were no changes in the classification of financial assets as a result of a change in the purpose or use of the asset.

Note 13 - Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group have reduced to RM731.8 million as at 30th September 2012 from RM800.5 million as at 31st December 2011.

Note 14 - Review of Performance

Current Quarter Ended 30th September 2012

	Revenue		Profit Before Tax	
	3 rd Quarter ended 30/09/2012 RM'000	3 rd Quarter ended 30/09/2011 RM'000	3 rd Quarter ended 30/09/2012 RM'000	3 rd Quarter ended 30/09/2011 RM'000 Restated
Consolidated Total	3,964,251	3,691,437	597,561	391,894
Business Segment				
Automotive	2,934,892	2,616,123	511,184	437,131
Equipment	527,697	631,416	53,420	35,579
Oil & Gas	337,231	295,067	21,392	(44,480)*
Manufacturing & Engineering	181,585	163,668	857	(7,552)

* Restated to take into account the effect of transition from FRS to MFRS of RM22.26 million

Group

Group revenue of RM3,964.3 million for the third quarter ended 30th September 2012 surpassed the RM3,691.4 million registered in the preceding year's corresponding quarter by RM272.9 million or 7.4%. All business segments with the exception of the Equipment segment, registered improved revenue in the third quarter of 2012.

Group profit before taxation for the third quarter of 2012 surged to RM597.6 million from the RM391.9 million registered in the same quarter of 2011, an increase of 52.5% or RM205.7 million. In addition to the higher revenue mentioned above, turnaround from a loss to a profit position achieved by both the Oil & Gas and the Manufacturing & Engineering segments also contributed to the significant increase in Group profit before tax.

Consequently, net profit attributable to equity holders of the Company in the third quarter of 2012 rose to RM299.1 million from the RM146.9 million recorded in the same quarter of 2011, an increase of RM152.2 million or 103.6%.

Automotive Segment

For the third quarter of 2012, sale of Toyota vehicles improved by approximately 7.6% or 1,879 units compared to the same quarter of 2011 which was affected by the March 2011 tsunami in Japan. As a result, revenue of RM2,934.9 million for the third quarter of 2012 exceeded the RM2,616.1 million registered in the same quarter of 2011 by RM318.8 million or 12.2%.

However, for the third quarter of 2012, Perodua recorded a reduction of 2.9% or 1,400 units in vehicle sales compared to the same quarter of 2011. Bank Negara Malaysia's tighter guidelines on responsible lending continue to affect sales of its entry-level Viva model.

Higher Toyota vehicle sales, favourable model mix and lower selling and distribution expenses mainly accounted for the improved profit contributions in the third quarter of 2012.

For the third quarter ended 30th September 2012, total Toyota and Perodua vehicle sales of 73,577 units represented 46.8% of the total industry volume of 157,223 units. In the third quarter of 2011, a total of 73,137 units of Toyota and Perodua vehicles or 47.8% of the total industry volume of 153,041 units were sold.

Equipment Segment

Revenue of the Equipment segment declined by 16.4% or RM103.7 million in the third quarter of 2012 compared to the same quarter of 2011. Generally, demand for our heavy and industrial equipment has softened due to the slow-down in the economy of the countries we are operating in. Suspension of some mining activities overseas has affected demand for our mining equipment.

Despite lower revenue, the Equipment segment achieved a higher profit of RM53.4 million versus the RM35.6 million registered in the same quarter of 2011. An overseas subsidiary has reported profit in the third quarter of 2012 as opposed to a substantial loss from a maintenance and repair contract incurred in the same quarter of 2011.

Oil & Gas Segment

The Oil & Gas segment posted revenue of RM337.2 million in the third quarter of 2012 compared to the RM295.1 million registered in the same quarter of 2011, an increase of RM42.1 million or 14.3%. The revenue improvement was attributable to the following -

- a) increase in day rate for NAGA 3 offshore rig;
- b) additional revenue contribution from the Garraf Power Plant Phase 1 project; and
- c) full-quarter revenue contribution from HAKURYU-5, a semi-submersible rig. HAKURYU-5 was not income-generating in the third quarter of 2011.

However, the above revenue improvement was partly offset by the zero revenue contribution following the dry-docking of NAGA 1 for deepdish installation.

The Oil & Gas segment reported a profit of RM21.4 million in the third quarter of 2012 as opposed to a loss of RM44.5 million recorded in the third quarter of 2011. The turnaround was the result of -

- a) improved profit margin from a higher day rate for NAGA 3;
- b) additional profit contribution from the Garraf Power Plant Phase 1 project; and
- c) favourable movements in fair value of our overseas quoted investments and foreign exchange rate for Indian Rupee.

However, the dry-docking of NAGA 1 for deepdish installation has lowered the profitability of the Oil & Gas segment in the third quarter of 2012. NAGA 1 is expected to resume operation in December 2012.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment achieved improvements in both revenue and profit contributions in the third quarter of 2012 compared to the same quarter in 2011. For the current quarter, revenue rose to RM181.6 million from the RM163.7 million recorded in the same quarter of 2011, an increase of RM17.9 million or 10.9%. Stronger demand for KYB products and improved sales from higher capacity utilisation by our new automotive component plants in India and lubricant plant in China, contributed to the higher revenue.

In the third quarter of 2012, this segment posted a profit of RM0.9 million in contrast to a loss of RM7.6 million recorded in the same quarter of 2011, an improvement of RM8.5 million. Higher revenue as well as foreign currency exchange gains from the strengthening of Indian Rupee against the United States Dollar contributed to the profit improvement.

Nine Months Ended 30th September 2012

	Revenue		Profit Before Tax	
	9 Months ended 30/09/2012 RM'000	9 Months ended 30/09/2011 RM'000	9 Months ended 30/09/2012 RM'000	9 Months ended 30/09/2011 RM'000 Restated
Consolidated Total	11,799,882	10,079,072	1,541,135	1,015,213
Business Segment				
Automotive	8,468,888	7,282,623	1,372,228	1,071,205
Equipment	1,702,674	1,541,631	164,211	107,932
Oil & Gas	1,139,854	775,089	52,878	(95,450)*
Manufacturing & Engineering	525,048	498,539	5,032	1,075

* Restated to take into account the effect of transition from FRS to MFRS of RM50.46 million

Group

Group revenue for the nine months ended 30th September 2012 rose to RM11,799.9 million from the RM10,079.1 million registered in the same period of 2011, an increase of RM1,720.8 million or 17.1%. In 2012, all four core business segments of the Group reported higher revenue for the period under review.

Similarly, the Group registered substantial improvement in profit before taxation for the nine months ended 30th September 2012 as performance for the same period of 2011 was adversely affected by the March 2011 earthquake and tsunami in Japan. Group profit before tax surged to RM1,541.1 million from the RM1,015.2 million registered in the same period of 2011, an increase of 51.8% or RM525.9 million. All four core business segments of the Group delivered better profit for the nine months ended 30th September 2012.

As a result, net profit attributable to equity holders of the Company for the nine months ended 30th September 2012 improved significantly to RM743.4 million from the RM401.7 million registered in the nine months of 2011, a surge of RM341.7 million or 85.1%.

Automotive Segment

With the swift production recovery from the impact of tsunami in Japan and floods in Thailand in the first quarter of 2012, UMW Toyota Motor reported commendable improvement in both revenue and profit contributions for the nine months ended 30th September 2012. Sale of Toyota vehicles for the nine months of 2012 surpassed the preceding year's corresponding period by 17.3% or 11,690 units. Consequently, revenue of RM8,468.9 million far exceeded the RM7,282.6 million achieved in the same period of 2011 by RM1,186.3 million or 16.3%.

Robust demand for Perodua's all-new MyVi and Alza models in the nine months ended 30th September 2012 was more than enough to make good the shortfall in vehicle sales for its entry-level Viva model that was affected by the Bank Negara Malaysia's responsible lending guidelines. Consequently, Perodua reported an improvement in both revenue and profit in the current period of 2012.

In line with higher revenue achieved by both UMW Toyota Motor and Perodua, profit before taxation for the nine months of 2012 improved by 28.1% or RM301.0 million over the RM1,071.2 million reported in the same period of 2011.

Total Toyota and Perodua vehicle sales of 221,777 units represented 48.4% of the total industry volume of 458,447 units reported by the Malaysian Automotive Association for the nine months ended 30th September 2012. A total of 198,950 units of Toyota and Perodua vehicles or 44.2% of the total industry volume of 450,244 units were sold in the same period of 2011.

Equipment Segment

For the nine months ended 30th September 2012, the Equipment segment achieved higher levels of revenue and profit against the same period of 2011. Revenue of RM1,702.7 million exceeded the RM1,541.6 million registered in the same period of 2011 by 10.5% or RM161.1 million on account of the following -

- a) strong demand for our major equipment and forklifts; and
- b) expansion of equipment rental fleet size.

Profit before taxation for the current period elevated to RM164.2 million from the RM107.9 million recorded in the same period of 2011, an increase of RM56.3 million or 52.2% as a result of -

- a) improved revenue; and
- b) the return to profitability from a substantial loss by an overseas subsidiary.

Oil & Gas Segment

The Oil & Gas segment posted a higher revenue of RM1,139.9 million for the nine months ended 30th September 2012. This is an improvement of RM364.8 million or 47.1% over the RM775.1 million recorded in the same period of 2011. Factors that contributed to the revenue increase include -

- a) NAGA 3, a premium jack-up rig, was income-generating in all three quarters of 2012 but was not so in the first quarter of 2011;
- b) higher revenue from GAIT III, a work-over rig and trading of oilfield products and services;
- c) additional revenue contribution from the Garraf Power Plant Phase 1 project; and
- d) additional nine months revenue from HAKURYU-5, a semi-submersible rig. HAKURYU-5 was not revenue-contributing in the same period of 2011.

A profit of RM52.9 million was achieved in the nine months ended 30th September 2012 as opposed to a loss of RM95.5 million recorded in the same period of 2011. Significant improvement in revenue, favourable movement in fair value of our overseas quoted investments and higher profit contributions from our overseas associated companies contributed to the turnaround.

Manufacturing & Engineering Segment

Revenue rose to RM525.0 million in the nine months of 2012 from the RM498.5 million registered in the same period of 2011, an increase of RM26.5 million or 5.3%. Generally, stronger demand for our KYB products, lubricant toll blending in China and automotive parts in India, contributed to the revenue increase.

In line with higher revenue, profit before tax for the nine months ended 30th September 2012 increased to RM5.0 million from the RM1.1 million registered in the same period of 2011. Lower operating losses from higher capacity utilisation and lower operating expenses also contributed to the profit improvement.

Note 15 - Comparison with Preceding Quarter's Results

	Revenue		Profit Before Tax	
	3 rd Quarter ended 30/09/2012 RM'000	2 nd Quarter ended 30/06/2012 RM'000	3 rd Quarter ended 30/09/2012 RM'000	2 nd Quarter ended 30/06/2012 RM'000
Consolidated Total	3,964,251	4,139,834	597,561	510,247
Business Segment:				
Automotive	2,934,892	3,036,657	511,184	490,347
Equipment	527,697	560,175	53,420	56,720
Oil & Gas	337,231	371,915	21,392	1,606
Manufacturing & Engineering	181,585	182,044	857	71

Group revenue of RM3,964.3 million for the third quarter of 2012 declined slightly from the RM4,139.8 million recorded in the second quarter of 2012, a reduction of RM175.5 million or 4.2%. The lower revenue was principally due to -

- a) slower sales of Toyota vehicles as potential customers held back purchases in anticipation of a reduction in car prices pending the budget announcement;
- b) nil contribution from NAGA 1 which was sent for deepdish installation in late April 2012; and
- c) lower demand for our heavy and industrial equipment as well as OCTG pipes in India.

For the year 2012, the Group registered a higher profit before taxation of RM597.6 million for the third quarter against the RM510.2 million recorded in the second quarter, an increase of 17.1% or RM87.4 million as a result of the following -

- a) more favourable Toyota vehicle sales mix and higher productivity;
- b) higher share of profit from improved sales of Perodua vehicles; and
- c) exchange gains from the strengthening of Indian Rupee and favourable movement in fair value of our overseas quoted investments in the third quarter of 2012.

Note 16 - Current Prospect

Automotive Segment

Based on bookings received to date, both UMW Toyota Motor and Perodua are positive in achieving their new vehicle sales targets set for the year 2012. As such, the Automotive segment is poised to exceed its internal targets set for 2012.

Equipment Segment

Demand for our heavy and industrial equipment in the fourth quarter of 2012 is anticipated to remain soft based on the current outlook. However, the return to profitability in 2012 from a huge loss in 2011 by an overseas subsidiary will have a positive impact on the overall performance of the Equipment segment. On the whole, this segment is expected to perform better than its 2012 internal targets.

Oil & Gas Segment

NAGA 1 has completed its deepdish installation and is scheduled to commence operations in December 2012. With all four offshore rigs income-generating, the Oil & Gas segment is expected to continue to perform in the remaining period of 2012. Overall, the Oil & Gas segment is expected to return to profitability in 2012 from a loss incurred in 2011. However, fair value movement of quoted investments and hedging instruments as well as fluctuation in foreign currency exchange rates, are likely to affect the level of profitability of the Oil & Gas segment.

Manufacturing & Engineering Segment

Performance of the Manufacturing & Engineering segment is expected to improve further in the last quarter of 2012. Higher demand for our automotive component parts in the fourth quarter of 2012 both in Malaysia and India, are expected to enhance the 2012 operating results of this segment. Notwithstanding the above, fluctuations in foreign exchange rates may dampen this improvement. Overall, performance of the Manufacturing & Engineering segment is expected to fall short of its 2012 internal targets.

Group

Barring unforeseen circumstances, the Board expects the Group to achieve its overall targets set for 2012.

Note 17 - Statement on Headline Key Performance Indicators (KPIs)

Based on internal key financial indicators and the current economic outlook for the fourth quarter of 2012, the Board is of the view that barring unforeseen circumstances, the Group is confident of achieving its 2012 Headline Key Performance Indicators as 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 18 - Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

Note 19 - Taxation - 9B6

	Quarter Ended 30/09/2012 RM'000	Nine Months Ended 30/09/2012 RM'000
Current period's provision	121,567	346,767
Under/(Over) provision in prior periods	1,110	(6)
	122,677	346,761
Deferred taxation	(157)	(1,206)
Total	122,520	345,555

The effective tax rates for the current quarter and for the nine months ended 30th September 2012 were 22.3% and 24.4%, respectively. The effective tax rates were lower than the statutory tax rate of 25% primarily due to lower statutory tax rates for certain overseas subsidiaries and tax incentives.

Note 20 - Corporate Proposal - 9B9

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

Note 21 - Group Borrowings and Debt Securities

	RM'000	RM'000	'000
(a) Short term borrowings			
- Unsecured			
Short term loans and trade facilities	602,809	(	USD64,753 SGD3,137 INR275,000 RMB9,080
Finance lease payable	517		
Portion of long term loans payable within 12 months	117,917	(	USD37,417
	<hr/>	721,243	
- Secured			
Short term loans and trade facilities	21,183	(	AUD991 INR237,272 SGD1,421 RMB1,464
Finance lease payable	576	(	SGD231
Portion of long term loans payable within 12 months	33,360	(	SGD204 KINA887
	<hr/>	55,119	
		<hr/>	
		776,362	(
			USD102,170 SGD4,993 AUD991 INR512,272 RMB10,544 KINA887
(b) Long term borrowings			
- Unsecured			
Long term loans	1,777,178	(	USD315,638 INR13,482
Finance lease payable	435		
Portion of long term loans payable within 12 months	(117,917)	(	(USD37,417)
	<hr/>	1,659,696	
- Secured			
Long term loans	288,241	(	USD45,599 SGD1,785 INR334,472 JPY1,027,500 KINA887 RMB23,233
Finance lease payable	272	(	KINA175
Portion of long term loans payable within 12 months	(33,360)	(	(SGD204) (KINA887)
	<hr/>	255,153	
		<hr/>	
		1,914,849	(
			USD323,820 SGD1,581 INR347,954 JPY1,027,500 RMB23,233 KINA175

Note 22 - Material Litigation

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

Note 23 - Dividend

The Board is pleased to declare a second interim single-tier dividend of 30% or 15.0 sen (2011 - 27% or 13.5 sen) per share of RM0.50 each, amounting to a net dividend payable of approximately RM175.2 million (2011- RM157.7 million) for the year ending 31st December 2012, to be paid on 8th February 2013.

Note 24 - Earnings Per Share

Basic earnings per share for the quarter and nine months ended 30th September 2012 are calculated by dividing the net profit attributable to shareholders of RM299.1 million and RM 743.4 million, respectively, by the weighted average number of ordinary shares in issue as at 30th September 2012 of 1,168,293,932 shares of RM0.50 each.

Note 25 - Realised and Unrealised Profits/Losses

The breakdown of retained profits of the Group as at 30th June 2012 and 30th September 2012, pursuant to the format prescribed by Bursa Securities, are as follows -

	As at 30th June 2012 RM'000	As at 30th September 2012 RM'000
Total retained profits/ (accumulated losses) of the Company and its subsidiaries:		
-Realised	2,552,759	2,563,020
-Unrealised	(61,698)	(33,551)
	2,491,061	2,529,469
Total share of retained profits / (accumulated losses) from Associated companies:		
-Realised	1,092,955	1,143,515
-Unrealised	(54,634)	(49,678)
Total share of retained profits / (accumulated losses) from jointly-controlled entities:		
-Realised	(139,395)	(140,637)
-Unrealised	(4,697)	961
	3,385,290	3,483,630
Less: Consolidation adjustments	(132,150)	(48,195)
Total group retained profits as per consolidated accounts	3,253,140	3,435,435

Note 26 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31st December 2011 was not qualified.

Note 27 - Items to Disclose in the Statement of Comprehensive Income

	3rd Quarter Ended 30/09/2012 RM'000	Nine Months Ended 30/09/2012 RM'000
a) Interest income	17,314	49,363
b) Other investment income	4,539	9,370
c) Depreciation and amortization	(72,265)	(222,387)
d) Write back of allowance for impairment of receivables (net)	2,256	2,864
e) (Provision for)/write back of inventories	(150)	3,242
f) (Loss)/gain on disposal of quoted or unquoted investment	165	416
g) (Loss)/gain on disposal of properties	-	-
h) Impairment of assets (net)	(11,619)	(24,285)
i) Net foreign exchange gain/(loss)	40,630	24,512
j) (Loss)/Gain on derivatives (net)	(4,235)	(3,003)
k) Exceptional item	-	-

By Order Of The Board

FADZILAH BINTI SAMION
Secretary
(MACS 01262)

Shah Alam
23rd November 2012