

FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2000
(THE FIGURES HAVE NOT BEEN AUDITED)

The Board of Directors is pleased to announce the consolidated results for the financial quarter ended 31 December 2000:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	31.12.2000	31.12.1999	31.12.2000	31.12.1999
	RM000	RM000	RM000	RM000
1 (a) Turnover	2,030,322	1,683,573	5,820,716	4,821,132
(b) Investment income	(13,089)	8,880	(16,704)	42,695
(c) Other income including interest income	30,853	38,740	61,274	90,243
2 (a) Operating profit/(loss) before interest on borrowings, depreciation & amortisation, exceptional items, income tax, minority interests and extraordinary items	132,994	36,083	316,655	159,091
(b) Less interest on borrowings	(13,060)	(7,581)	(30,992)	(22,297)
(c) Less depreciation & amortisation	(51,010)	(51,270)	(154,729)	(155,736)
(d) Exceptional items	-	-	-	-
(e) Operating profit/(loss) after interest on borrowings, depreciation & amortisation & exceptional items but before income tax, minority interests and extraordinary items	68,924	(22,768)	130,934	(18,942)
(f) Share in the results of associated & jointly controlled companies	7,765	13,216	46,779	34,134
(g) Profit/(loss) before taxation, minority interests & extraordinary items	76,689	(9,552)	177,713	15,192
(h) Taxation	(45,097)	(13,168)	(94,053)	(30,503)
(i) Profit/(loss) after taxation, before deducting minority interests	31,592	(22,720)	83,660	(15,311)
Less: minority interests	13,376	1,517	15,643	(4,049)
(j) Profit/(loss) after taxation, attributable to members of the company	44,968	(21,203)	99,303	(19,360)
(k) Extraordinary items Less : Minority interests Extraordinary items attributable to members of the company	-	-	-	-
(l) Profit/(loss) after taxation and extraordinary items attributable to members of the company	44,968	(21,203)	99,303	(19,360)
3 (a) Earnings per share based on 2(j) above after deduction any provision for preference dividends:				
(i) Basic (based on 542.7million ordinary shares - sen)	8.29	(3.91)	18.30	(3.57)
(ii) Fully diluted	n/a	n/a	n/a	n/a

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CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT CURRENT PERIOD END 31.12.2000 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31.03.2000 RM'000
1 Fixed assets	2,229,961	2,124,524
2 Other investments	2,370	1,940
3 Investment in subsidiary companies	-	-
4 Investment in associated companies	66,004	187,863
5 Short term investments	141,810	160,210
6 Intangible assets	-	-
7 Current Assets	3,333,973	3,005,469
Stocks (properties)	34,719	32,762
Stocks (parts)	835,827	628,046
Trade debtors	535,831	769,790
Deposits with Financial institutions	1,680,286	1,183,247
Other debtors	108,621	101,384
Bank & Cash	138,689	290,240
8 Current Liabilities	2,214,096	2,197,524
Short term borrowings	256,959	239,217
Trade creditors	484,549	723,588
Other creditors & provisions	1,242,354	1,072,176
Provision for taxation	216,666	146,261
Proposed dividends	13,568	16,282
9 Net Current Assets or Current Liabilities	1,119,877	807,945
10 Shareholders' funds	2,831,999	2,772,088
Share Capital	542,716	542,716
Reserves	2,289,283	2,229,372
Share premium	429,359	429,359
Goodwill written off	(337,998)	(308,761)
Foreign exchange translation	7,763	4,349
Retained profits	2,190,159	2,104,425
Others	-	-
11 Minority interests	39,685	57,381
12 Long term borrowings	603,773	368,448
13 Other long term liabilities	84,565	84,565
14 Net tangible assets per share (RM)	5.22	5.11
	-	-

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NOTES

1. Accounting Policies

The accounts of the Group are prepared using the same accounting policies, method of computation and basis of consolidation as those used in the preparation of the most recent annual financial statements.

2. Exceptional Items

There was no exceptional item for the financial period under review.

3. Extraordinary Items

There was no extraordinary item for the financial period under review.

4. Taxation

	Current Quarter RM'000	Current Year To Date RM'000
Taxation for the current year to date comprises of :		
Current taxation	43,470	82,151
Deferred taxation	-	-
Over provision in respect of previous year	-	-
Share of taxation in associated companies	1,547	11,641
Share of taxation in a jointly controlled company	<u>80</u>	<u>261</u>
	<u>45,097</u>	<u>94,053</u>

5. Pre-Acquisition Profit

No pre-acquisition profits were included in the results for the period under review.

6. Profit on Sale of Investment and/or Properties

There were no material sales of investment and/or properties during the current quarter except as disclosed in note 7.

7. Quoted Securities

a) Total purchases and disposals of quoted securities for the current financial year to date are as follows :

	RM'000
Total purchases	56,846
Total disposals	56,216
Total profit/(loss) on disposal	8,803

b) As at 31 December 2000, the Group's quoted securities are as follows :

	RM'000
At cost	110,446
At carrying value	78,449
At market value	78,449

FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2000
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8. Changes in the Composition of the Group

With effect from 1 November 2000, Proton Edar Sdn. Bhd. (formerly known as Usahasama Proton-DRB Sdn. Bhd.) became a 100% subsidiary of Proton Berhad.

9. Status of Corporate Proposals

On March 3, 2000 the Company entered into a Sales and Purchase Agreement for the proposed acquisition of 11 million shares representing 55% of the equity in Usahasama Proton-DRB Sdn. Bhd. with Diversified Resources Berhad (10.2 million shares) and Erat Bakti Sdn. Bhd. (800,000 shares) for a total purchase consideration of RM297,220,000. On 16 August 2000 the Company entered into a Share Sale and Purchase Agreement with Khazanah Nasional Berhad for the purchase of 3,000,000 shares representing 15% of the equity in Usahasama PROTON-DRB Sdn. Bhd. for a total purchase consideration of RM81,060,000. Both the acquisitions were completed on 31 October 2000.

10. Seasonal or Cyclical factors

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuation during the quarter ended 31 December 2000.

11. Changes in Share Capital

There were no changes in share capital during the quarter under review.

12. Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2000 are as follows:

	RM'000
Long term borrowings:	
Long term loans (unsecured)	307,544
Portion repayable within the next 12 months	<u>(17,131)</u>
	<u>290,413</u>
Term loans (secured)	384,034
Portion repayable within the next 12 months	<u>(72,078)</u>
	<u>311,956</u>
Leasing and hire-purchase creditors	<u>1,404</u>
	<u>603,773</u>
Short term borrowings	
Unsecured -	
Long term loans (current portion)	17,131
Short term loan	4,246
Bankers acceptances	47,409
Bank overdrafts	<u>68,196</u>
	<u>136,982</u>
Secured -	
Long term loan (current portion)	72,078
Short term loans & revolving credits	19,609
Bankers acceptances	<u>28,290</u>
	<u>119,977</u>
	<u>256,959</u>

FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2000
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13. Contingent Liabilities

Contingent liabilities of the Group as at 26 January 2001, the latest practicable date comprise of unhedged guarantees of RM637.6 Million.

14. Off Balance Sheet Financial Instruments

Proton has certain financial instruments including off balance sheet financial instruments incurred in the normal course of business. Financial derivative hedging instruments are used to manage the Company's foreign currency risk exposure. Hedge accounting principles are applied for the accounting of the underlying exposures and their hedge instruments.

As at 31 December 2000, the outstanding notional principal quantities of derivative financial instruments contracts entered into by the Company is RM252.43 million.

These instruments are executed with creditworthy financial institutions. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their respective financial strength.

15. Material Litigation

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

16. Segmental Reporting

Analysis of the Group's turnover, results and total assets by geographical locations are as follows:

	Turnover	Profit before taxation	Total assets
	RM Million	RM Million	RM Million
Malaysia	5,061.1	289.5	4,691.8
Other countries	759.6	(120.1)	1,082.3
Group turnover	5,820.7		
Group profit before interest		169.4	
Net interest income		8.3	
Group profit before tax		177.7	
Group total assets			5,774.1

17. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

The Group recorded a profit before tax of RM76.7 million in the current quarter compared to RM98.6 million in the previous quarter. The decrease was due to losses incurred by foreign subsidiaries.

18. Review of Performance of the Company and its Principal Subsidiaries

At the Company level, the Country's favourable economic and business conditions resulted in higher sales volume recorded in the current year. Sales increased by 10% from 127,740 units in the previous corresponding period to 140,369 units in the current year. This increase and the sales of the new WAJA model had resulted in a significant increase in the Company's pre-tax profit.

At the Group level, operating profit before tax was RM177.7 million, after accounting for RM199.3 million for research and development activities.

FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2000

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Apart from the completed Corporate Proposals as mentioned in Note 9 above, there has not arisen in the interval between the end of the current quarter and the date of this announcement, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Group.

19. Prospects for the Current Financial Year

The demand for Proton cars are expected to remain strong in the fourth quarter of the financial year. This is expected to contribute favourably to the Company's results.

Barring any unforeseen circumstances, the Board of Directors expect the Group's performance to be maintained in the fourth quarter of the financial year.

20. Variance of Actual Profit from Forecast Profit

The Company did not issue any profit forecast during the year.

21. Dividend

No additional interim dividend is proposed apart from the interim tax-exempt dividend declared by the Board on 30th November 2000 of 2.5 sen per share (1999 : 2.0 sen) in respect of the financial year ending 31st March 2001 which was paid on 19 January 2001 to all shareholders on the Company's register at the close of business on 22 December 2000.

BY ORDER OF THE BOARD

NIK ALIENA SALWANEE NIK MOHAMED
COMPANY SECRETARY

5 February 2000
Shah AlamC