

PRELIMINARY FINANCIAL RESULTS FOR THE FOURTH QUARTER ENDED 31 MARCH 2000
 (THE FIGURES HAVE NOT BEEN AUDITED)

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

	CONSOLIDATED INCOME STATEMENT		
	INDIVIDUAL PERIOD	CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.03.2000 RM'000	31.03.2000 RM'000	31.03.1999 RM'000
1 (a) Turnover	1,679,948	6,501,080	4,075,040
(b) Investment income	24,376	67,071	17,760
(c) Other income including interest income	39,625	129,869	154,728
2 (a) Operating profit/(loss) before interest on borrowings, depreciation & amortisation, exceptional items, income tax, minority interests and extraordinary items	170,645	329,736	291,594
(b) Less interest on borrowings	(11,535)	(33,832)	(41,398)
(c) Less depreciation & amortisation	(63,470)	(219,207)	(183,747)
(d) Exceptional items	-	-	-
(e) Operating profit/(loss) after interest on borrowings, depreciation & amortisation & exceptional items but before income tax, minority interests and extraordinary items	95,640	76,697	66,449
(f) Share in the results of associated companies	31,360	65,494	32,509
(g) Profit/(loss) before taxation, minority interests & extraordinary items	127,000	142,191	98,958
(h) Taxation	(30,938)	(61,441)	(4,180)
(i) Profit/(loss) after taxation, before deducting minority interests	96,062	80,750	94,778
Less minority interests	(4,330)	(8,379)	(27,946)
(j) Profit/(loss) after taxation, attributable to members of the company	91,732	72,371	66,832
(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	91,732	72,371	66,832
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)	16.90	13.34	12.31
(ii) Fully diluted (based on 548.7million ordinary shares -sen)	16.72	13.19	12.18



Perusahaan Otomobil Nasional Berhad

Company Registration No : 100995-U

(Incorporated in Malaysia)

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	UNAUDITED	AUDITED
	AS AT CURRENT FINANCIAL YEAR END 31.03.2000 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.03.1999 RM'000
1 Fixed assets	2,087,813	2,122,156
2 Other investments	2,725	2,222
3 Investment in subsidiary companies	-	-
4 Investment in associated companies	321,180	425,996
5 Investment in quoted shares	160,210	147,162
6 Intangible assets	-	-
7 Current Assets	2,844,374	2,743,549
Stocks (properties)	32,762	15,410
Stocks (parts)	641,580	697,668
Trade debtors	673,248	379,046
Deposits with Financial institutions	1,173,703	1,525,841
Other debtors	33,183	85,059
Bank & Cash	289,898	40,525
8 Current Liabilities	2,106,429	2,285,301
Short term borrowings	140,600	166,356
Trade creditors	846,102	559,274
Other creditors & provisions	973,304	1,089,200
Provision for taxation	146,423	432,482
Proposed dividends	-	37,989
9 Net Current Assets or Current Liabilities	737,945	458,248
10 Shareholders' funds	2,790,153	2,732,244
Share Capital	542,716	542,705
Reserves	2,247,437	2,189,539
Share premium	429,359	429,280
Goodwill written off	(305,041)	(304,590)
Foreign exchange translation	4,436	3,882
Retained profits	2,118,683	2,060,967
Others	-	-
11 Minority interests	56,689	50,420
12 Long term borrowings	378,846	328,368
13 Other long term liabilities	84,185	44,752
14 Net tangible assets per share (RM)	5.14	5.03
	-	-



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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 RM'000
Taxation for the current year to date comprises of :		
Current taxation	12,890	35,840
Deferred taxation	39,433	39,433
Over provision in respect of previous year	(29,303)	(29,303)
Share of taxation in associated companies	<u>7,918</u>	<u>15,471</u>
	<u>30,938</u>	<u>61,441</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

Total loss on disposal of fixed assets recorded by the group in the current financial year is RM 3.02 million.

Sale of investments during the year under review is 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	259,344
Total disposals	256,582
Total profit/(loss) on disposal	56,785

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

	RM'000
At cost	161,643
At carrying value	160,210
At market value	199,663

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8. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period under review.

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). The acquisition is currently in progress.

10. Seasonal or Cyclical factors

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

11. Changes in Share Capital

For the current financial year to date, 11,000 shares have been issued under Perusahaan Otomobil Nasional Berhad Employees' Share Option Scheme (the Scheme) at an exercise price ranging from RM8.00 to RM8.43 per unit.

12. Group Borrowings and Debt Securities

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

	RM'000
Long term borrowings:	
Shareholder loans (unsecured)	324,016
Portion repayable within the next 12 months	<u>(16,472)</u>
	<u>307,544</u>
Term loans (unsecured)	84,978
Portion repayable within the next 12 months	<u>(16,123)</u>
	<u>68,855</u>
Leasing and hire-purchase creditors	
- Secured	3,891
- Unsecured	-
Portion repayable within the next 12 months	<u>(1,444)</u>
	<u>2,447</u>
	<u>378,846</u>
Short term borrowings	
Shareholder loans (current portion)	16,472
Long term loan (current portion)	16,123
Short term loans	39,776
Export Credit Refinancing ('ECR') loans	-
Bankers acceptances	61,684
Bank overdrafts	<u>6,545</u>
	<u>140,600</u>

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13. Contingent Liabilities

Contingent liabilities of the Group as at 22 May 2000, the latest practicable date comprise of unhedged guarantees of RM448.8 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 March 2000, the outstanding notional principal quantities of derivative financial instruments contracts entered into by the Company is RM226 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 net assets by geographical locations are as follows:

	Turnover	Profit before taxation	Total assets
	RM Million	RM Million	RM Million
Malaysia	5,330.0	75.6	4,411.0
Other countries	1,171.1	(28.9)	1,005.3
Group turnover	6,501.1		
Group profit before interest		46.7	
Net interest income		95.5	
Group profit before tax		142.2	
Group total assets			5,416.3

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

The Group recorded a net profit attributable to shareholders of RM91.7 million in the fourth quarter compared to a loss of RM21.2 million in the third quarter mainly due to better performance recorded at Company level and most subsidiary companies.

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

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The economic recovery has increased consumer confidence resulting in higher sales volume registered for the year ended 31 March 2000. Registered sales at the Company level were 170,296 units for the current year compared against 109,102 units for the corresponding period last year, an increase of 56.1%. The higher demand for the higher end models had also contributed to the increase in sales revenue.

At the Group level, operating profit before tax was RM142.2 million, after accounting for RM153 million for research and development activities.

Apart from the proposed acquisition as mentioned in Note 9 above, there has not arisen in the interval between the end of the fourth 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 economic environment and business conditions in Malaysia are expected to continue to improve in the second half of the year. New car sales is therefore expected to continue to be strong. However, there will still be pressure on profitability due to the prevailing strong Yen.

Considering the above factors, the Group will continue to pursue various measures in efforts to improve profitability.

20. Variance of Actual Profit from Forecast Profit

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

21. Dividend

The Company had paid a tax-exempt dividend of 2.0 sen per share (1998 : 7.0 sen) in respect of the financial year ending 31 March 2000 on 30 December 1999 to all shareholders on the Company's register at the close of business on 21 December 1999.

22. Year 2000 Compliance

There has been no major failures or disruptions reported during:

- 29th February 2000 which is due to leap year; and
- 31st March 2000 which is due to PROTON financial year end.

PROTON is now free from any kind of Y2K issues or threats. PROTON Y2K programme is officially closed.

BY ORDER OF THE BOARD

NORMAH KASSIM
NIK ALIENA SALWANEE NIK MOHAMED
SECRETARIES

24 May 2000
Shah Alam