

**UNAUDITED FINANCIAL RESULTS
FOR THE THIRD QUARTER ENDED 31ST DECEMBER 2001**

The Board of Directors is pleased to announce the consolidated results for the financial quarter ended 31 December 2001:

	CONSOLIDATED INCOME STATEMENT			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	QUARTER	QUARTER	PERIOD	PERIOD
	31.12.2001	31.12.2000	31.12.2001	31.12.2000
	RM'000	RM'000	RM'000	RM'000
1 (a) Revenue	2,401,665	2,030,322	7,698,973	5,820,716
(b) Investment income	37,430	214	87,523	20,972
(c) Other income	5,382	17,550	33,207	23,598
2 (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	521,629	132,994	1,245,010	316,655
(b) Finance cost	9,945	13,060	33,828	30,992
(c) Depreciation & amortisation	86,408	51,010	241,032	154,729
(d) Exceptional items	-	-	-	-
(e) Profit/(loss) before income tax, minority interests and extraordinary items	425,276	68,924	970,150	130,934
(f) Share of profits and losses of associated & jointly controlled companies	5,203	7,765	15,164	46,779
(g) Profit/(loss) before income tax, minority interests & extraordinary items	430,479	76,689	985,314	177,713
(h) Income tax	49,814	45,097	216,491	94,053
(i) (I) Profit/(loss) after income tax, before deducting minority interests	380,665	31,592	768,823	83,660
(II) Less: minority interests	2,419	(13,376)	7,765	(15,643)
(j) Pre-acquisition profit/(loss)				
(k) Net profit/(loss) from ordinary activities attributable to members of the company	378,246	44,968	761,058	99,303
(l) (i) Extraordinary items				
(ii) Less : Minority interests				
(iii) Extraordinary items attributable to members of the company	-	-	-	-
(m) Net profit/(loss) attributable to members of the company	378,246	44,968	761,058	99,303
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)	69.69	8.29	140.23	18.30
(ii) Fully diluted	-	-	-	-

Perusahaan Otomobil Nasional Berhad

(Company No. : 100995-U)

APPENDIX I

UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 31ST DECEMBER 2001

CONSOLIDATED BALANCE SHEET	UNAUDITED	AUDITED
	AS AT CURRENT PERIOD END 31.12.2001 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.03.2001 RM'000
1 Property, plant & equipment	1,980,521	2,111,794
2 Investment property	-	-
3 Investment in associated & jointly controlled companies	82,763	66,495
4 Long term investments	6,276	6,276
5 Goodwill on consolidation	-	-
6 Intangible assets	-	-
7 Other long term assets	-	-
8 Current Assets		
Inventories	669,919	881,678
Trade receivables	540,526	701,466
Other receivables, deposits & prepayments	151,294	134,769
Short term investments	168,305	144,163
Deposits with Financial institutions	2,968,480	2,220,553
Bank & Cash	417,793	88,757
	<u>4,916,317</u>	<u>4,171,386</u>
9 Current Liabilities		
Trade payables	1,015,768	1,191,387
Other payables	1,121,168	1,000,781
Short term borrowings	233,091	249,223
Provision for taxation	218,173	182,164
Proposed dividends	37,990	40,704
	<u>2,626,190</u>	<u>2,664,259</u>
10 Net Current Assets or Current Liabilities	<u>2,290,127</u>	<u>1,507,127</u>
	<u>4,359,687</u>	<u>3,691,692</u>
11 Share Capital	542,716	542,716
Reserves		
Share premium	429,359	429,359
Goodwill written off	(337,998)	(337,998)
Foreign exchange translation	18,650	26,296
Retained profits	3,070,874	2,347,806
Others	-	-
	<u>3,180,885</u>	<u>2,465,463</u>
Shareholders' funds	<u>3,723,601</u>	<u>3,008,179</u>
12 Minority interests	43,730	35,682
13 Long term borrowings	525,191	563,266
14 Other long term liabilities	-	-
15 Deferred taxation	67,165	84,565
	<u>4,359,687</u>	<u>3,691,692</u>
13 Net tangible assets per share (RM)	6.86	5.54

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NOTES

1. Accounting Policies

The quarterly Consolidated Financial Statements have been 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. The relevant applicable approved accounting standards issued by the Malaysian Accounting Standards Board which became operative for the financial year ended 31 March 2002 and the provisions of the Companies Act 1965, have been complied with.

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	49,390	232,860
Deferred taxation	-	(17,400)
Share of taxation in associated companies	413	960
Share of taxation in a jointly controlled company	<u>11</u>	<u>71</u>
	<u>49,814</u>	<u>216,491</u>

The effective tax rates of 11.6% and 22.0% for the current quarter and current year-to-date respectively, are lower than the statutory tax rate due to the availability of higher reinvestment allowance incentive arising from the extension of its eligible period to 15 years.

5. Profits/(losses) on Sale of Unquoted Investment and/or Properties

There were no sales of unquoted investment and/or properties during the current quarter.

6. Quoted Securities

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

	RM'000
Total purchases	180,671
Total disposals	178,208
Total profit/(loss) on disposal	(6,462)

During the year, there was no purchase or disposal of any one counter which exceeded 5% of the Group NTA.

b) As at 31 December 2001, the Group's quoted securities are as follows :

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	RM'000
At cost	110,256
At carrying value	98,748
At market value	103,093

7. Changes in the Composition of the Group

There was no change in the composition of the Group since the last quarter.

8. Status of Corporate Proposals

None.

9. Changes in Share Capital

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

10. Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2001 are as follows:

	Total	Included in the borrowings are amounts denominated in foreign currencies		
	RM'000	£'000	AUD'000	USD'000
Long term borrowings				
Long term loan (unsecured)	290,413			
Portion repayable within the next 12 months	(17,816)			
	272,597			
Term loans (secured)	304,771	52,926		3,460
Portion repayable within the next 12 months	(52,337)	(8,855)		(933)
	252,434	44,071		2,527
Leasing and hire-purchase creditors	160	29		-
	525,191	44,100	-	2,527
Short term borrowings				
Unsecured :				
Current portion of long term loan	17,816			
Short term loan & revolving credits	55,122	10,004		
Bank overdrafts	43,345	7,866		
	116,283	17,870		
Secured :				
Current portion of long term loan	52,337	8,855		933
Short term loan & revolving credits	39,364	7,144		
Bankers acceptances	25,107			
	233,091	33,869	-	933

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11. Contingent Liabilities

Contingent liabilities of the Group as at 11 February 2002, the latest practicable date comprise of unhedged guarantees of RM 197.8 Million.

12. Financial Instruments with Off Balance Sheet Risk

Except as disclosed in Note 11, there were no financial instruments with off balance sheet risk as at the date of this announcement.

13. Material Litigation

On 2 January 2001 the Company received a notice for arbitration from an overseas distributor for an alleged breach of contract in which the claimant claims damages in the region of RM148 million. The Directors, after having obtained legal advice, are of the view that the claims are not substantiated. The arbitration proceeding has yet to commence.

14. Segmental Reporting

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

	Gross Revenue	Intercompany sales	Net Revenue	Profit before taxation	Total assets
	RM million	RM million	RM million	RM million	RM million
Malaysia	9,577.7	(2,635.6)	6,942.1	1,044.9	6,243.3
Other countries	849.4	(92.5)	756.9	(93.2)	742.6
Group revenue	10,427.1	(2,728.1)	7,699.0		
Group profit before interest				951.7	
Net interest income				33.6	
Group profit before tax				985.3	
Group total assets					6,985.9

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

The Group recorded a profit before tax of RM 430.5 million in the current quarter compared to RM 353.1 million in the previous quarter of the current financial year. The improved results was mainly contributed by the better results recorded at Company level.

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

At the Company level, favourable business conditions resulted in higher sales volume recorded in the current period. Sales increased by 25.7% from 140,369 units in the previous corresponding period to 176,460 units in the current period.

At the Group level, operating profit before tax was RM 985.3 million compared to RM 177.7 million for the corresponding period last year. The increase was mainly due to the better results recorded by the Company and Proton Edar Sdn Bhd resulting from the strong performance of the local automotive sector.

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.

17. Material Events Subsequent to the end of the Period

No material event has arisen in the interval between the end of the current quarter and the date of this release to affect substantially the results of the Group and Company for the current reporting period.

18. 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 2001.

19. Prospects for the Current Financial Year

Although the economic outlook for the next three months is expected to remain soft, the low interest rate for hire purchase financing and the measures announced by the government to boost domestic demand are expected to have a positive effect on the sales of Proton cars in the lower end segment and Waja. This is expected to contribute favourably to the Group's results.

Barring any unforeseen circumstances, the Board of Directors expect the Group's performance to remain favourable for the rest of the current financial year.

20. Variance of Actual Profit from Forecast Profit

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

21. Dividend

On 19 November 2001, the Board declared an interim tax-exempt dividend of 7.0 sen per share (2000 :2.5 sen) in respect of the financial year ending 31st March 2002. Payment of this dividend was effected on 18 January 2002.

**Perusahaan Otomobil
Nasional Berhad**

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BY ORDER OF THE BOARD

**NIK ALIENA SALWANEE NIK MOHAMED
COMPANY SECRETARY**

18 February 2002
Shah Alam