

Perusahaan Otomobil Nasional Berhad

(Company No. : 100995-U)

APPENDIX III

PRELIMINARY UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER ENDED 31 MARCH 2001

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	31.03.2001	31.03.2000	31.03.2001	31.03.2000
	RM'000	RM'000	RM'000	RM'000
1 (a) Turnover	2,480,522	1,675,592	8,301,238	6,496,724
(b) Investment income	(2,593)	24,376	(19,297)	67,071
(c) Other income including interest income	14,780	48,755	76,054	138,998
2 (a) Operating profit/(loss) before interest on borrowings, depreciation & amortisation, exceptional items, income tax, minority interests and extraordinary items	294,830	162,744	611,485	321,835
(b) Less interest on borrowings	12,985	12,036	43,977	34,333
(c) Less depreciation & amortisation	87,106	62,061	241,835	217,797
(d) Exceptional items	-	-	-	-
(e) Operating profit/(loss) after interest on borrowings, depreciation & amortisation & exceptional items but before income tax, minority interests and extraordinary items	194,739	88,647	325,673	69,705
(f) Share in the results of associated & jointly controlled companies	5,845	37,479	52,624	71,613
(g) Profit/(loss) before taxation, minority interests & extraordinary items	200,584	126,126	378,297	141,318
(h) Taxation	5,466	31,150	99,519	61,653
(i) Profit/(loss) after taxation, before deducting minority interests	195,118	94,976	278,778	79,665
Less: minority interests	(3,232)	5,022	(18,875)	9,071
(j) Profit/(loss) after taxation, attributable to members of the company	198,350	89,954	297,653	70,594
(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	198,350	89,954	297,653	70,594
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)	36.55	16.57	54.85	13.01
(ii) Fully diluted	n/a	n/a	n/a	n/a

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CONSOLIDATED BALANCE SHEET		
	UNAUDITED AS AT CURRENT PERIOD END 31.03.2001 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31.03.2000 RM'000
1 Fixed assets	2,111,794	2,124,524
2 Other investments	7,476	1,940
3 Investment in subsidiary companies	-	-
4 Investment in associated companies	65,295	187,863
5 Intangible assets	-	-
6 Current Assets	4,171,386	3,165,679
Stocks (properties)	31,562	32,762
Stocks (trading)	850,116	628,046
Trade debtors	701,466	769,790
Short term investments	144,163	160,210
Deposits with Financial institutions	2,220,553	1,183,247
Other debtors	134,769	101,384
Bank & Cash	88,757	290,240
7 Current Liabilities	2,623,555	2,197,524
Short term borrowings	249,223	239,217
Creditors & provisions	2,192,168	1,795,764
Provision for taxation	182,164	146,261
Proposed dividends	-	16,282
8 Net Current Assets or Current Liabilities	1,547,831	968,155
9 Shareholders' funds	3,048,883	2,772,088
Share Capital	542,716	542,716
Reserves	2,506,167	2,229,372
Share premium	429,359	429,359
Goodwill written off	(337,998)	(308,761)
Foreign exchange translation	26,296	4,349
Retained profits	2,388,510	2,104,425
Others	-	-
10 Minority interests	35,682	57,381
11 Long term borrowings	563,266	368,448
12 Other long term liabilities	84,565	84,565
13 Net tangible assets per share (RM)	5.62	5.11
	-	-

**PRELIMINARY UNAUDITED FINANCIAL RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2001**

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	4,902	87,053
Deferred taxation	-	-
Over provision in respect of previous year	18	18
Share of taxation in associated companies	476	12,117
Share of taxation in a jointly controlled company	<u>70</u>	<u>331</u>
	<u>5,466</u>	<u>99,519</u>

5. Pre-Acquisition Profit

Not applicable.

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	80,861
Total disposals	82,856
Total profit/(loss) on disposal	1,883

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

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

	RM'000
At cost	107,794
At carrying value	76,868
At market value	77,472

**PRELIMINARY UNAUDITED FINANCIAL RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2001**

8. Changes in the Composition of the Group

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

9. Status of Corporate Proposals

None.

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 March 2001.

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 March 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)	307,544			
Portion repayable within the next 12 months	(17,131)			
	290,413			
Term loans (secured)	363,508	59,412		4,192
Portion repayable within the next 12 months	(91,367)	(11,570)		(933)
	272,141	47,842		3,259
Leasing and hire-purchase creditors	712	127		-
	563,266	47,969	-	3,259
Short term borrowings				
Unsecured :				
Current portion of long term loan	17,131			
Short term loan	24,454	4,504		
Bankers acceptances	32,807			
Bank overdrafts	44,555	8,206		
	118,947	12,710		
Secured :				
Current portion of long term loan	91,367	11,570		933
Short term loan	3,733		2,000	
Bankers acceptances	35,176			
	249,223	24,280	2,000	933

**PRELIMINARY UNAUDITED FINANCIAL RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2001**

13. Contingent Liabilities

Contingent liabilities of the Group as at 17 May 2001, the latest practicable date comprise of unhedged guarantees of RM624.2 Million.

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 counsel, are of the view that the claims are unsubstantiated.

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 2001, the outstanding notional principal quantities of derivative financial instruments contracts entered into by the Company is RM178.6 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	7,289.3	619.5	5,464.7
Other countries	1,011.9	(253.3)	891.3
Group turnover	8,301.2		
Group profit before interest		366.2	
Net interest income		12.1	
Group profit before tax		378.3	
Group total assets			6,356.0

**PRELIMINARY UNAUDITED FINANCIAL RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2001**

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

The Group recorded a profit before tax of RM200.6 million in the current quarter compared to 76.7 million in the previous quarter. The increase was principally due to higher profits at the Company level and the inclusion of the results of Proton Edar Sdn. Bhd. which became a subsidiary on November 1, 2000.

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

At the Company level, the favourable business conditions resulted in higher sales volume recorded in the current year. Sales increased by 15% from 170,296 units in the previous year to 195,228 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 RM378.3 million, after accounting for RM194.2 million for research and development activities.

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 in the lower end segment and Waja is expected to remain strong in the current financial year and 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 2001/2002 financial year.

20. Variance of Actual Profit from Forecast Profit

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

21. Dividend

A final dividend of 7.5 sen per share is proposed in addition to the interim tax-exempt dividend declared on 30th November 2000 of 2.5 sen per share, making the total dividend for the financial year 2000/01 10 sen per share (2000 : total 5.0 sen). The date of payment will be announced later.

BY ORDER OF THE BOARD

**NIK ALIENA SALWANEE NIK MOHAMED
COMPANY SECRETARY**

25 May 2001
Shah Alam