PROTON HOLDINGS BERHAD (623177-A)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2009

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2009

	Individual Period		Cumulative Period	
	30.06.09 RM'000	**30.06.08 RM'000**	**30.06.09 RM'000**	**30.06.08 RM'000**
Revenue	1,852,018	1,708,805	1,852,018	1,708,805
Operating expenses	(1,815,246)	(1,695,293)	(1,815,246)	(1,695,293)
Other operating income	27,800	44,080	27,800	44,080
Profit before finance cost	**64,572**	**57,592**	**64,572**	**57,592**
Finance cost	(3,743)	(3,711)	(3,743)	(3,711)
Share of results of associated and jointly controlled entities (net of tax)	3,550	4,819	3,550	4,819
Profit before taxation	**64,379**	**58,700**	**64,379**	**58,700**
Taxation	(9,828)	(6,674)	(9,828)	(6,674)
Profit for the period	**54,551**	**52,026**	**54,551**	**52,026**
Attributable to:				
Equity holders of the Company	54,551	52,026	54,551	52,026
Minority interest	-	-	-	-
	54,551	**52,026**	**54,551**	**52,026**
Earnings per share attributable to equity holders of the Company (sen):				
Basic (sen)	9.9	9.5	9.9	9.5
Diluted (sen)	N/A	N/A	N/A	N/A

The unaudited condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2009

	Unaudited as at 30.06.09 RM'000	Audited as at 31.03.09 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	2,782,540	2,827,111
Goodwill	29,008	29,008
Intangible assets	471,572	431,668
Associated companies and jointly controlled entities	358,509	353,989
Deferred tax assets	5,905	5,727
Non-current investments	10,397	10,397
Total Non-Current Assets	**3,657,931**	**3,657,900**
Current Assets		
Inventories	1,403,495	1,395,081
Trade and other receivables	935,938	919,732
Tax recoverable	37,181	160,610
Investments	11,231	15,313
Cash, bank balances and deposits	1,181,098	913,850
Total Current Assets	**3,568,943**	**3,404,586**
Non-current assets held for disposal	38,136	36,412
TOTAL ASSETS	**7,265,010**	**7,098,898**
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	549,213	549,213
Reserves	4,646,343	4,552,327
Total Equity	**5,195,556**	**5,101,540**
Non-current Liabilities		
Long term borrowings	58,600	52,225
Other non-current liabilities	111,267	49,291
Deferred tax liabilities	12,283	12,243
Total Non-Current Liabilities	**182,150**	**113,759**
Current Liabilities		
Trade and other payables	1,417,884	1,381,459
Provisions	211,875	189,779
Taxation	14,160	6,322
Short term borrowings	243,385	306,039
Total Current Liabilities	**1,887,304**	**1,883,599**
Total Liabilities	**2,069,454**	**1,997,358**
TOTAL EQUITY AND LIABILITIES	**7,265,010**	**7,098,898**
Net assets per share attributable to equity holders of the Company (RM)	**9.46**	**9.29**

The unaudited condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2009

	Share capital RM'000	Capital reserve RM'000	Asset revaluation reserve RM'000	Foreign exchange reserves RM'000	Retained earnings RM '000	Total equity RM'000
At 1 April 2008	**549,213**	**475,617**	**2,362**	**(82,197)**	**4,476,261**	**5,421,256**
Net income recognised directly into equity						
- foreign exchange difference in translating foreign operations	-	-	-	7,469	-	7,469
Profit for the period	-	-	-	-	52,026	52,026
Total recognised income and expense for the period	-	-	-	7,469	52,026	59,495
At 30 June 2008	**549,213**	**475,617**	**2,362**	**(74,728)**	**4,528,287**	**5,480,751**
At 1 April 2009	**549,213**	**475,617**	**2,362**	**(79,512)**	**4,153,860**	**5,101,540**
Net income recognised directly into equity						
- foreign exchange difference in translating foreign operations	-	-	-	39,465	-	39,465
Profit for the period	-	-	-	-	54,551	54,551
Total recognised income and expense for the period	-	-	-	39,465	54,551	94,016
At 30 June 2009	**549,213**	**475,617**	**2,362**	**(40,047)**	**4,208,411**	**5,195,556**

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2009

	3 months ended 30.06.09 RM'000	3 months ended 30.06.08 RM'000
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	299,957	259,104
CASH FLOWS USED IN INVESTING ACTIVITIES	(76,933)	(101,444)
CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(18,297)	3,878
NET INCREASE IN CASH AND CASH EQUIVALENTS	204,727	161,538
EXCHANGE RATE EFFECTS	14,748	3,820
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	899,383	1,173,939
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	1,118,858	1,339,297
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash, bank balances and deposits	1,181,098	1,386,429
Bank overdrafts	-	(2,108)
Restricted cash received under Automotive Development Fund	(62,240)	(45,024)
	1,118,858	1,339,297

The unaudited condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

1. **BASIS OF PREPARATION**

   The unaudited interim financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

   The unaudited interim financial statements should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 March 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the changes in the financial position and performance of the Group since the financial year ended 31 March 2009.

2. **ACCOUNTING POLICIES**

   The accounting policies, methods of computation and basis of consolidation applied in these interim financial statements are consistent with those used in preparation of the audited financial statements for the financial year ended 31 March 2009.

3. **AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

   The annual audited financial statements for the financial year ended 31 March 2009 were not subject to any qualification.

4. **COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

   The businesses of the Group were not materially affected by any seasonal or cyclical factors during the current financial quarter under review.

5. **UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

   There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter under review.

6. **SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

   The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. In order to enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters.

   There were no significant changes in estimates that have had a material effect in the current financial quarter under review.

7. **SIGNIFICANT ITEMS**

   There were no significant items reported in the current financial quarter under review.

8. **DEBT AND EQUITY SECURITIES**

   There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the current financial quarter under review.

9. **DIVIDENDS**

   There were no dividends proposed and declared during the current financial quarter under review.

10. SEGMENTAL REPORTING

Analysis of the Group's revenue and results by geographical location are as follows:

	Financial period ended 30.06.2009			
	Malaysia RM'million	Other countries RM'million	Eliminations RM'million	Consolidated RM'million
Revenue				
Third Party sales	1,635.1	216.9	-	1,852.0
Inter-segment sales	16.3	12.4	(28.7)	-
Total revenue	1,651.4	229.3	(28.7)	1,852.0
Results				
Segment operating profit/(loss)	60.4	2.6	(5.6)	57.4
Interest expense				(3.7)
Interest income				7.2
Share of results of associated companies and jointly controlled entities (net of tax)	3.6	0.1	(0.2)	3.5
Income taxes of Company and its subsidiary companies				(9.8)
Net profit after tax				54.6

Included in third party sales from Malaysia are export sales of RM61 million during the current financial quarter under review.

11. PROPERTY, PLANT & EQUIPMENT

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group in the financial quarter under review.

13. SUBSEQUENT EVENTS

There were no significant subsequent events between the end of the current financial quarter and the date of this announcement that have not been reflected in the interim report.

14. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

As at the date of issue of this quarterly report, there were no material changes in contingent liabilities as disclosed in the Audited Financial Statements for the financial year ended 31 March 2009.

15. PERFORMANCE REVIEW

Domestic sales volume declined by 2% against a contraction in total industry volume (TIV) of 11% compared to the same period last year. The Group recorded an increase in market share primarily driven by deliveries of the new multi purpose vehicle (MPV), Exora. The profit before tax of RM64 million for the quarter was higher compared to the profit of RM59 million achieved in the corresponding period last year due to better product mix.

16. MATERIAL CHANGE IN THE RESULTS OF CURRENT QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

The Group registered a profit before tax of RM64 million for the current quarter compared to the loss of RM374 million incurred in the immediate preceding quarter which included provisions for impairment of property, plant and equipment and inventory write down for models impacted by volume contraction.

The improved operating profit is substantially due to the increase in domestic sales volume which grew by 12% over the immediate preceding quarter and improved profitability arising from the successful roll-out of the Exora.

17. COMMENTARY ON PROSPECTS

There have been positive signs of recovery in the global automotive industry as consumer demand for automobiles stabilises and improves. In line with this sentiment, the Malaysian Automotive Association has revised vehicle sales forecast upwards from 480,000 vehicles to 500,000 for 2009.

Given the improved outlook, our prospects for acquiring higher domestic sales volume and market share are encouraging, driven largely by sales of Exora. On the international front, the Group will focus on increasing sales volume with the introduction of the Exora to the export markets, beginning with the ASEAN region. Given this, the Group believes that its sales volume prospects remain resilient.

Despite the improved sentiment, the Group is still cautious of the sustainability of the global economic recovery. The Group will therefore continue to expand into key markets, improve quality and intensify branding initiatives, as well as critically invest in Research and Development activities for product refreshers and new models.

18. PROFIT FORECAST

The Group did not issue any profit forecast or profit guarantee in respect of the financial quarter under review.

19. INCOME TAX EXPENSE

	Current quarter	Current period to date
	RM'000	RM'000
Taxation		
Malaysia	7,906	7,906
Outside Malaysia	1,922	1,922
	9,828	9,828
Effective tax rate	15.3%	15.3%

The effective tax rate for the current financial quarter is lower than the statutory tax rate mainly due to the utilisation of brought forward capital allowances and tax losses.

20. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

(a) Total disposal of unquoted securities for the current financial quarter and financial period to date are as follows:

	Current quarter	Current period to date
	RM'000	RM'000
Total sales proceeds	3,898	3,898
Total loss on disposal	(33)	(33)

(b) As at 30 June 2009, details of the Group's unquoted securities are as follows:

	RM'000
At cost	12,466
At carrying value / book value	11,231

(c) Other than the above, there were no other disposal of properties and non-current investments outside the ordinary course of business for the current financial quarter under review.

21. SALE OF QUOTED SECURITIES

There were no disposal of quoted securities for the current financial quarter and financial period to date.

22. GROUP BORROWINGS AND DEBT SECURITIES

	As at 30.06.09 RM'000
Long Term Borrowings:	
Secured:	
Long term loans	58,600
Total Long Term Borrowings	58,600
Short Term Borrowings:	
Secured:	
Current portion of long term loans	17,580
Revolving credit	4,238
	21,818
Unsecured:	
Current portion of long term loans	47,750
Bridging loan	35,314
Bankers' acceptances and revolving credit	138,503
	221,567
	243,385
Total Borrowings	**301,985**

The currency profile of borrowings is as follows:

	As at 30.06.09 RM'000
Functional Currency	
Ringgit Malaysia	148,163
Pounds Sterling	153,822
Total	**301,985**

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

As at 11 August 2009, being the latest practicable date prior to this announcement, the outstanding notional principal amount of the Group off-balance sheet financial instruments, representing foreign exchange contracts is as follows:

	Maturity period less than 6 months
	RM'000
Foreign exchange contracts	118,660

The Group enters into forward foreign exchange contracts as a hedge against anticipated foreign currency accounts payables and receivables. The contracted exchange rates are used for the settlement of the related payables and receivables. The net position to the Group as at 11 August 2009 is unfavourable by approximately RM1.6 million.

The contracts 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.

24. CHANGES IN MATERIAL LITIGATION

There were no changes in material litigations since the last announcement made.

25. EARNINGS PER SHARE ("EPS")

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue as at 30 June 2009.

	Current quarter	Current period to date
	RM'000	RM'000
Earnings per share		
Net profit attributable to equity holders (RM'000)	54,551	54,551
Weighted average number of shares ('000)	549,213	549,213
Earnings per share (sen)	9.9	9.9

Diluted EPS

Diluted EPS is not applicable as at 30 June 2009 as there are no dilutive potential ordinary shares.

26. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment approved by the Board but not provided for in the financial statements as at 30 June 2009 are as follows:

	RM'million
Contracted for	364.2
Not contracted for	2,267.5

27. STATUS OF CORPORATE PROPOSALS

The Group does not have any corporate proposals announced but not completed at the date of this report.

28. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 18 August 2009.

BY ORDER OF THE BOARD
MOHD NIZAMUDDIN MOKHTAR
COMPANY SECRETARY

Shah Alam, 18 August 2009