



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

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Individual Period		Cumulative Period	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Revenue	2,104,090	1,846,249	3,956,108	3,561,323
Operating expenses	(2,040,265)	(1,839,041)	(3,855,511)	(3,534,224)
Other operating income	37,309	45,629	65,109	83,440
Profit before finance cost	101,134	52,837	165,706	110,539
Finance cost	(2,199)	(4,257)	(5,942)	(8,078)
Share of results of associated and jointly controlled entities (net of tax)	1,717	8,028	5,267	12,847
Profit before taxation	100,652	56,608	165,031	115,308
Taxation	(18,590)	(12,797)	(28,418)	(19,471)
Profit for the period	82,062	43,811	136,613	95,837
Attributable to:				
Equity holders of the Company	82,062	43,811	136,613	95,837
Minority interest	-	-	-	-
	82,062	43,811	136,613	95,837
Earnings per share attributable to equity holders of the Company (sen):				
Basic (sen)	14.9	8.0	24.9	17.4
Diluted (sen)	N/A	N/A	N/A	N/A

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

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2009

	Unaudited as at 30.09.09 RM'000	Audited as at 31.03.09 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	2,685,627	2,827,111
Investment properties	9,015	-
Goodwill	29,008	29,008
Intangible assets	509,459	431,668
Associated companies and jointly controlled entities	354,171	353,989
Deferred tax assets	8,827	5,727
Non-current investments	10,397	10,397
Total Non-Current Assets	<u>3,606,504</u>	<u>3,657,900</u>
Current Assets		
Inventories	1,138,462	1,395,081
Trade and other receivables	766,599	919,732
Tax recoverable	19,769	160,610
Investments	11,248	15,313
Cash, bank balances and deposits	1,500,926	913,850
Total Current Assets	<u>3,437,004</u>	<u>3,404,586</u>
Non-current assets held for disposal	32,033	36,412
TOTAL ASSETS	<u><u>7,075,541</u></u>	<u><u>7,098,898</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	549,213	549,213
Reserves	4,724,692	4,552,327
Total Equity	<u>5,273,905</u>	<u>5,101,540</u>
Non-current Liabilities		
Long term borrowings	44,568	52,225
Other non-current liabilities	109,135	49,291
Deferred tax liabilities	11,798	12,243
Total Non-Current Liabilities	<u>165,501</u>	<u>113,759</u>
Current Liabilities		
Trade and other payables	1,231,415	1,381,459
Provisions	202,586	189,779
Taxation	20,380	6,322
Short term borrowings	181,754	306,039
Total Current Liabilities	<u>1,636,135</u>	<u>1,883,599</u>
Total Liabilities	<u>1,801,636</u>	<u>1,997,358</u>
TOTAL EQUITY AND LIABILITIES	<u><u>7,075,541</u></u>	<u><u>7,098,898</u></u>
Net assets per share attributable to equity holders of the Company (RM)	<u>9.60</u>	<u>9.29</u>

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

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 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	-	-	-	3,099	-	3,099
- foreign exchange difference in translating foreign operations	-	-	-	-	95,837	95,837
Profit for the period	-	-	-	-	95,837	95,837
Total recognised income and expense for the period	-	-	-	3,099	95,837	98,936
At 30 September 2008	549,213	475,617	2,362	(79,098)	4,572,098	5,520,192
At 1 April 2009	549,213	475,617	2,362	(79,512)	4,153,860	5,101,540
Net income recognised directly into equity	-	-	-	35,752	-	35,752
- foreign exchange difference in translating foreign operations	-	-	-	-	136,613	136,613
Profit for the period	-	-	-	-	136,613	136,613
Total recognised income and expense for the period	-	-	-	35,752	136,613	172,365
At 30 September 2009	549,213	475,617	2,362	(43,760)	4,290,473	5,273,905

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

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	6 months ended	6 months ended
	30.09.09	30.09.08
	RM'000	RM'000
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	771,437	423,665
CASH FLOWS USED IN INVESTING ACTIVITIES	(157,344)	(225,482)
CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(85,441)	52,452
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>528,652</u>	<u>250,635</u>
EXCHANGE RATE EFFECTS	10,651	(3,398)
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	<u><u>1,438,686</u></u>	<u><u>1,421,176</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash, bank balances and deposits	1,500,926	1,434,598
Restricted cash received under Automotive Development Fund	<u>(62,240)</u>	<u>(12,422)</u>
	<u><u>1,438,686</u></u>	<u><u>1,422,176</u></u>

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

PROTON HOLDINGS BERHAD

NOTES TO THE FINANCIAL STATEMENT – 30 SEPTEMBER 2009

1. BASIS OF PREPARATION

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

The unaudited interim financial statement should be read in conjunction with the Group's audited annual financial statement for the financial year ended 31 March 2009. These explanatory notes attached to the interim financial statement provides 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 this interim financial statement are consistent with those used in preparation of the audited financial statement for the financial year ended 31 March 2009.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENT

The annual audited financial statement for the financial year ended 31 March 2009 was 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 flow 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 a material impact on 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 30.09.2009			Consolidated RM'million
	Malaysia RM'million	Other countries RM'million	Eliminations RM'million	
Revenue				
Third party sales	3,464.5	491.6	-	3,956.1
Inter-segment sales	55.2	25.4	(80.6)	-
Total revenue	<u>3,519.7</u>	<u>517.0</u>	<u>(80.6)</u>	<u>3,956.1</u>
Results				
Segment operating profit/(loss)	143.5	35.7	(32.0)	147.2
Interest expense				(5.9)
Interest income				18.4
Share of results of associated companies and jointly controlled entities (net of tax)	3.0	0.9	1.4	5.3
Income taxes of Company and its subsidiary companies				(28.4)
Net profit after tax				<u>136.6</u>

Included in third party sales from Malaysia are export sales of RM148 million during the current financial period 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 Statement for the financial year ended 31 March 2009.

15. PERFORMANCE REVIEW

PROTON's domestic sales volume declined by 1% against a contraction in the domestic total industry volume (TIV) of 7% compared to the corresponding period last year, indicating an increase in market share, which was mainly due to sales of the Exora.

Despite the contraction in domestic TIV, arising from the effects of the global economic downturn, the Group posted a profit before tax of RM165 million, an increase of 43% compared to the profit of RM115 million recorded in the corresponding period last year. The higher profit was largely attributable to improvement in overall margins resulting from the introduction of the Exora.

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

Group profit before tax at RM101 million for the quarter under review is an improvement of 58% compared to RM64 million recorded in the immediate preceding quarter. The improvement in performance was achieved on the back of higher domestic sales volume and profit margins which continued to strengthen through better product mix. Domestic sales volume grew by 11% compared to the immediate preceding quarter primarily driven by increased sales of the top three models, the Saga, Persona and Exora.

17. COMMENTARY ON PROSPECTS

Although growth in TIV was recorded in the third quarter of 2009 compared to the last two quarters, the Malaysian Automotive Association (MAA) maintained vehicle sales forecast at 500,000 for 2009 as demand remains uncertain due to sustainability of the global economic recovery.

In spite of the current market outlook, sales in the domestic and overseas markets are expected to improve with the gradual introduction of the Saga and Exora in the global markets, beginning with the ASEAN region.

Given that the outlook for global vehicle demand is still uncertain, the Group remains cautious. Focus will continue on enhancing returns by investing in development of new products, expansion into selective key markets and execution of operational improvement initiatives such as, rationalisation of dealers and suppliers, quality improvements and capacity optimisation.

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

	<u>Current quarter</u> RM'000	<u>Current period to date</u> RM'000
<u>Taxation</u>		
Malaysia	16,724	24,629
Outside Malaysia	1,866	3,789
	<u>18,590</u>	<u>28,418</u>
Effective tax rate	18.5%	17.2%

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

20. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

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

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

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

	RM'000
<u>Quoted:</u>	
At cost	584
At carrying value / book value	<u>719</u>
<u>Unquoted:</u>	
At cost	11,882
At carrying value / book value	<u>10,529</u>

- (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 under review and financial period to date.

22. GROUP BORROWINGS AND DEBT SECURITIES

	As at 30.09.09 RM'000
<u>Long Term Borrowings:</u>	
Secured:	
Long term loans	44,568
Total Long Term Borrowings	<u>44,568</u>
<u>Short Term Borrowings:</u>	
Secured:	
Current portion of long term loans	23,231
Revolving credit	43,423
	<u>66,654</u>
Unsecured:	
Current portion of long term loans	47,750
Bridging loan	34,856
Bankers' acceptances and revolving credit	32,494
	<u>115,100</u>
	<u>181,754</u>
Total Borrowings	<u>226,322</u>

The currency profile of borrowings is as follows:

	As at 30.09.09 RM'000
<u>Functional Currency</u>	
Ringgit Malaysia	50,164
Pounds Sterling	176,158
Total	<u>226,322</u>

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

As at 16 November 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:

	<u>Maturity period</u> <u>less than 6</u> <u>months</u> RM'000
Foreign exchange contracts	<u>134,601</u>

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 16 November 2009 is unfavourable by approximately RM4.4 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 strengths.

24. CHANGES IN MATERIAL LITIGATION

There were no changes in material litigation since the last announcement.

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 September 2009.

	<u>Current</u> <u>quarter</u> RM'000	<u>Current period</u> <u>to date</u> RM'000
<u>Earnings per share</u>		
Net profit attributable to equity holders (RM'000)	82,062	136,613
Weighted average number of shares ('000)	549,213	549,213
Earnings per share (sen)	<u>14.9</u>	<u>24.9</u>

Diluted EPS

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

26. CAPITAL COMMITMENTS

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

	RM'million
Contracted for	155.9
Not contracted for	<u>2,393.1</u>

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 statement was authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 23 November 2009.

BY ORDER OF THE BOARD
MOHD NIZAMUDDIN MOKHTAR
COMPANY SECRETARY

Shah Alam, 23 November 2009