

Proton not running at a loss, says Dr Mahathir
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Proton Holdings Bhd's financial performance is expected to improve in a year or two after the completion of the restructuring exercise of its sports car division, Lotus Group International Ltd, Tun Dr Mahathir Mohamad said today.

Proton is not running at a loss. It's actually profitable but its profit has been trimmed because of the losses incurred by Lotus.

"Before we undertake to restructure, there will definitely be losses," the former prime minister who is now Proton adviser told reporters on the sidelines of the Biotechnology Forum 2011 here.

The national car maker recorded a pre-tax loss of RM51.535 million for the third quarter ended Dec 31, 2010 compared to a pre-tax profit of RM82.958 million in the previous corresponding quarter due mainly to higher branding costs and restructuring expenses incurred by its sports car division.

Revenue for the quarter decreased to RM1.833 billion from RM2.013 billion.

The company reported that the decline in profit was largely attributable to higher branding costs as well as restructuring expenses incurred by Lotus Group.

lotus exigeAs part of the transformation plans to turn around Lotus, the group started investing in rationalisation of dealers network and branding activities to deliver the five-year business plans.

The group experienced lower domestic sales volume and increased promotional and marketing spending by a principal subsidiary during the third quarter.

- Bernama

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