

Proton's pre-tax profit down 17.5%

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Proton Holdings Bhd recorded a 17.5 per cent decrease in pre-tax profit for the financial year ended March 31, 2011 to RM215 million from RM261 million previously.

Group managing director Syed Zainal Abidin Syed Mohamed Tahir said the decline was largely attributed to higher branding costs and restructuring expenses incurred by Lotus Group International Ltd.

Lotus Group, which is undergoing a business transformation exercise over the next five years, had unveiled five new sports cars that were due to go on sale as early as 2013, he told reporters after announcing the national car manufacturer's financial results here today.

Proton's full-year revenue increased to RM8.98 billion from RM8.23 billion previously.

For the fourth quarter ended March 31, 2011, Proton registered a jump in pre-tax profit to RM80.855 million from RM12.903 million in the same period of last year on the back of increasing car sales.

Syed Zainal Abidin said the growing demand for Proton cars was reflected in revenue for the quarter under review soaring to RM2.6 billion against RM2.2 billion recorded during the corresponding period in the previous financial year.

He said the group's domestic sales volume for the quarter grew by more than 21 per cent to 44,870 units compared to 36,943 units in the third quarter, contributed by sales of three core models namely the Persona, Saga and Exora as well as the launch of the Inspira.

Cash position improves

The group's cash position also improved compared to the last quarter and it was now above RM1 billion, he said, adding that this was the result of concerted efforts to better manage funds and inventories at all operating units within the group.

Proton chairman Mohd Nadzmi Mohd Salleh (left) said the group's performance in the fourth quarter was largely driven by a positive economic landscape that resulted in an increase in overall vehicle sales in the domestic market.

"Group performance is backed by the introduction of models that offered us better profit margins," he said.

Mohd Nadzmi said prospects for the current financial year remained challenging with the anticipated disruption in parts supply from Japan due to the recent earthquake.

While Malaysia's total industry volume was estimated to breach 600,000 units this year, he said, the group was cautious of uncertainties surrounding the global automotive industry particularly the anticipated volatility in the Japanese yen and the spiraling prices of fuel and raw materials which could adversely affect earnings.

"We will continue to invest in the development of new technologies and improve operational efficiencies to sustain earnings," he added.

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