

Proton Q1 profit jump 55 percent
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National carmaker Proton said on Monday its first-quarter profits had leapt 55.13 percent on the back of rising vehicle sales and improved profit margins.

Proton said net profits for the three months to June 30 had risen to RM84.7 million from RM54.6 million in the same period last year.

"Higher sales volume and improved profit margins from better product mix largely accounted for the improved performance," it said in a statement to the stock exchange.

The automaker said "improved market sentiment" saw its domestic sales volume increase by 17.0 percent in the first quarter, with better take-up of its three core models, the Saga, Persona and Exora.

"It has been an encouraging start to the year, which has seen Proton at its most aggressive in terms of introducing a number of new and more appealing variants into the market at competitive prices," chairman Mohammad Nadzmi Mohamad Salleh said in a statement.

The Malaysian Automotive Association said car sales in the first half of 2010 had grown a stronger-than-expected 19.0 percent but that the pace was likely to slow in the second half due to fuel price hikes and interest rate increases.

Proton said it now planned to launch several of its core models in key foreign markets.

Proton was formed in 1983 by then-premier Mahathir Mohamad as part of an ambitious national industrialisation plan. But it has suffered from a reputation for unimaginative models and poor quality.

It has been searching for a collaborator in a bid to penetrate foreign markets and develop attractive models to compete with growing competition from Japanese, European and Korean carmakers in its domestic market.

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