

**Proton commits to turning around Lotus**  
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National carmaker Proton said today it was committed to turning around its loss-making subsidiary Lotus by 2015, and that it had no plans to sell off the British marque.

State-owned Proton bought a controlling stake in the British sports and racing car maker in October 1996, but it has remained debt-ridden since then.

In June, Proton unveiled a five-year transformation blueprint for Lotus, including a new management team and ambitious plans to launch new models and boost production.

"It's our responsibility to turn around any subsidiaries within the group," Proton chairperson Mohamad Nadzmi Mohamad Salleh said after the company's annual general meeting.

"With the new management, we have better prospects of turning around the company. They have a robust five-year business plan," he said, adding that Proton will gain from the Lotus branding and its engineering capability.

"By having these two benefits, it will strengthen our position as an automobile manufacturer. There is no intention to dispose of Lotus at this point of time."

Proton said recently it will partner with Lotus to manufacture a small, five-door model to tap into the Asia and the Middle East markets.

In a previous bid to restructure Lotus in 2007, Proton waived debts of up to 16.5 million pounds (US\$25.9 million) racked by up the British subsidiary under a recapitalisation exercise.

"We believe we should give an opportunity to the management to prove itself," Proton managing director Syed Zainal Abidin Syed Mohamad Tahir said.

Proton also said it will launch a new model in collaboration with Japan's Mitsubishi Motors by year-end.

"Hopefully this model will be launched in November," Syed Zainal Abidin said, but declined to divulge details. The vehicle is said to be based on Mitsubishi's Lancer.

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.

However, Proton's net profit for the three months to August jumped 55.13 percent to RM84.7 million (US\$27.08 million), on the back of rising vehicle sales and improved profit margins.

- AFP

