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PM: Proton's sale of MV Agusta well-advised

THE decision to sell Proton Holding's stake in MV Agusta Motors SpA (MVAM) at one euro was done carefully, said Prime Minister and Finance Minister Datuk Seri Abdullah Ahmad Badawi.

This was done after taking into account several factors, based on the research summary of Credit Suisse Boston, which felt Proton had to release its MVAM share holdings, he said.

In a written reply to **Teresa Kok (DAP-Seputeh)**, Abdullah explained that at the moment when the sale of the entity took place, Proton could not afford to provide continued financial assistance to MVAM.

"In addition, Proton, which held 57.75% majority shareholdings in MVAM, did not have full management control," Abdullah said.

Thus, Abdullah said the decision by Proton to release MVAM to Gevi SpA from Italy at that moment was considered appropriate, as it was viewed that GEVI SpA had a good financial standing to enable them to take over MVAM together with the debts, which stood at one euro.

The principal of Gevi is Alessandro Picollo, the former chairman of Agro Finance, a subsidiary of Banca Carige, an Italian insurance and financial company.

"The rationale of the sale of MVAM to Gevi SpA was to enable Proton to pay attention to its core business, which was manufacturing and sale of cars.

"Thus the decision taken by the management of Proton at the time the sale was implemented was the right option in the interest of the company (Proton) and business," Abdullah said.

In connection with the statement that Gevi SpA could afford to sell 1/3 of MV Agusta at 93 million euro, Abdullah said Proton till now has carried out several investigations through public sources and confirmation on the accuracy of the information

thus far could not be confirmed.

"Proton no longer has any business connection with MVAM. Thus any question related to mismanagement should not arise," Abdullah said.

Kok had asked the rationale behind Proton selling MV Agusta for one euro to Gevi SpA, as Gevi in turn could sell 1/3 of MV Agusta for 93 million euro.

She also asked the details of the board of directors of Gevi and whether the government will establish a special commission to investigate whether the deal was as a result of mismanagement by Proton.