

Dr M: Proton has done well
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PETALING JAYA: The current management of Proton Holdings Bhd has performed well, according to the national carmaker's advisor Tun Dr Mahathir Mohamad.

"The current management has done a good job in stabilising the company.

"That can be seen in the operating profits and sales in the last five years," said the former prime minister in a statement.

Dr Mahathir's statement clarified a *Bloomberg* report last week regarding the possibility of Proton's new owner (DRB-Hicom Bhd) selling the national carmaker's loss-making subsidiary Group Lotus.

In the *Bloomberg* report, Dr Mahathir was quoted as saying Proton needed good management.

"There is nothing wrong with Proton, but bad management had caused it to come down," the former premier said.

Dr Mahathir pointed out last week that at one time, Proton had a reserve of about RM4bil which was unfortunately lost due to "things done by the wrong management."

However, in his latest statement, Dr Mahathir clarified that the RM4bil reserve was accumulated under the helm of Proton's former chief executive officer Tengku Tan Sri Mahaleel Tengku Ariff.

"About RM1.8bil was spent on Proton's Tanjung Malim plant.

"When Tengku Mahaleel left Proton (in Sept 2005), some RM2.4bil was left to the new management led by former chairman Datuk Mohd Azlan Hashim."

Dr Mahathir said subsequently, when Mohd Azlan left (at the end of 2008), there was RM1.2bil of cash reserves left.

This was due to losses which was partly contributed by the sale of Italian motorbike manufacturer MV Agusta for one euro, which Proton had bought for some RM300mil.

Proton had bought a 57.8% stake in MV Agusta in Dec 2004 for 70 million euros, which was sold a year later to GEVI SpA.

Dr Mahathir said Proton's cash reserve had dwindled to as low as RM600mil during Mohd Azlan's tenure.

"However, he (Mohd Azlan) managed later on to improve the numbers with Proton group managing director Datuk Seri Syed Zainal Abidin Syed Mohamed Tahir, who introduced new models which led to greater revenue and profitability for Proton," he said.

Source:

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