

MB: Khazanah directors did not back purchase of Agusta

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■ By **Ridzwan Abdullah**
news@nst.com.my

SEREMBAN: Khazanah Nasional's board of directors did not support Proton's decision to buy debt-ridden MV Agusta SpA in 2004, said Menteri Besar Datuk Seri Mohamad Hasan.

"I was in Khazanah at that time and we never agreed to the purchase as Agusta came with a RM400 million debt, but the plans went directly to the

top," he said at the opening of the Rembau Umno division delegates meeting yesterday.

"At that time, no company in Europe wanted Agusta as it came with a huge liability.

"We bought it and burdened ourselves with its debt as well.

"We should consider ourselves lucky that someone was willing to buy it from us, even for €1."

The decision to sell the motorcycle manufacturer for €1 has been mocked by former

prime minister Tun Dr Mahathir Mohamad, who said there was synergy between Agusta and the national car-maker.

But Proton Holdings Bhd said that the motorcycle maker was headed for bankruptcy even after the company bought it and that further support for Agusta would only drag Proton down.

Members of the current board also said Agusta failed to deliver the synergies ex-

pected.

In his speech, Mohamad said Malaysia would have ended up a "pariah" in the international community if several mega projects planned under the former administration, amounting to billions of ringgit, had not been shelved.

He said such decisions had to be made as the present administration felt it was better to focus on other economic sectors.

"Besides, there was the task

of having to reduce the Budget deficit."

On the cancellation of the scenic bridge at the Malaysian half of the Causeway, Mohamad said the Government had taken into consideration the sentiments and views of the people.

He said the people were unhappy with Singapore's conditions for sand and the use of airspace in return for agreeing to build the bridge.