

MTR Corporation at a Glance

The Rail Merger, now successfully completed in all aspects, significantly expanded the size, scale and geographic coverage of the business activities of the Company. At the same time, the growth momentum of the Company has continued with significant network expansion in Hong Kong and the capture of growth opportunities in the Mainland of China and overseas.

Hong Kong Railway Operations



Business Description

We operate a pre-dominantly rail based transportation system in Hong Kong, comprising Domestic and Cross-boundary services, a dedicated high-speed Airport Express and a light rail system, which in total stretches 211.6 kilometres with 82 stations and 68 stops. The Integrated MTR System is one of the most intensively used systems in the world, known for its reliability, safety and efficiency. We also provide intercity services to the Mainland of China as well as a bus operation in Hong Kong providing convenient feeder services.

2008 Highlights

- The merger integration process was implemented smoothly, with the physical integration of the two networks achieved ahead of schedule
- For the period from 2 December 2007 to 31 December 2008, we exceeded all the performance levels required by Government and our own Customer Service Pledges targets
- Customer satisfaction levels recorded during the year by our regular surveys remained high
- The excellence of our service performance levels was again recognised in a large number of awards

Station Commercial and Rail Related Businesses



Business Description

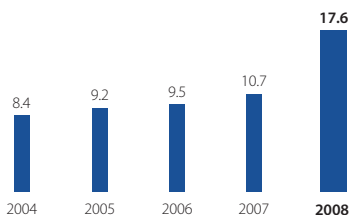
We leverage our railway assets and expertise into additional businesses, including rental of station retail units (such as Duty Free shops), advertising in trains and stations, telecommunications, rail consulting and freight services.

2008 Highlights

- The Rail Merger brought about increased scale and new business opportunities in the form of Duty Free shops
- Advertising innovations included the first digital escalator displays in Asia's metros and the renovated "The Galleria" in Causeway Bay Station
- 3G mobile phone coverage along the East Rail and Ma On Shan lines was fully launched
- Our consultancy business won an engineering and project management contract for the construction of the Delhi Airport Metro Express Line

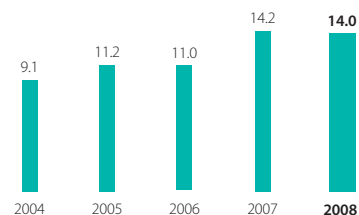
Turnover

in HK\$ billion



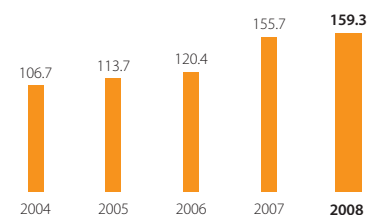
Operating Profit before Depreciation and Amortisation (after Property Development Profit)

in HK\$ billion



Total Assets

in HK\$ billion



Property and Other Businesses



Business Description

We develop mainly residential properties in conjunction with property developers. We own investment properties, principally shopping centres and offices, and manage our properties and others. Our investment portfolio includes 12 shopping centres and 18 floors of the Two International Finance Centre office tower.

2008 Highlights

- All units of The Capitol at LOHAS Park were pre-sold as well as about 80% of the units available at The Palazzo in Shatin
- The development package for Che Kung Temple on the Ma On Shan Line was awarded to a subsidiary of New World Development Company Limited
- Close to 100% occupancy was maintained at our shopping centres. The Company's 18 floors at Two International Finance Centre were fully rented out
- Ginza Mall continued to set new benchmarks for service and quality within the shopping centre industry in Beijing

Mainland and Overseas Growth



Business Description

We continue our strategy to grow outside of Hong Kong by investing in urban rail networks in the Mainland of China, and pursuing "asset-light" operating concessions in European markets that are privatised or opening to new entrants.

2008 Highlights

- Our joint venture London Overground Rail Operations Limited brought steady improvements to the London Overground
- Awarded the concession rights to operate the Stockholm Metro Concession
- Good progress was made on the Beijing Metro Line 4 project, while approval was gained for the Shenzhen Metro Line 4 project
- Entered into Agreements in Principle for the operation and maintenance of Shenyang Metro Lines 1 and 2 and a Memorandum of Understanding for the operation and maintenance of the Daxing Line in Beijing
- Entered into a Principle Agreement for the investment, construction and operation of Hangzhou Metro Line 1