

Highlights

Financial

- Strong financial results from Rail Merger* and strong economy
- Revenue increased 75.7% to HK\$8,527 million
- EBITDA up 71.5% to HK\$4,796 million
- Property development profit of HK\$348 million mainly from disposal of properties held for sale and deferred income; profit from The Capitol and The Palazzo will be recognised when occupation permits are issued
- Net profit attributable to equity shareholders, excluding investment properties revaluation and related deferred tax, (profit from underlying business) increased 33.2% to HK\$2,731 million
- Net profit attributable to equity shareholders, including investment properties revaluation and related deferred tax, of HK\$4,689 million
- Net debt/equity ratio improved to 42.1%
- Interim dividend of HK\$0.14 per share. The Board will consider progressive increase of dividend when recommending final dividend together with full year results

Operational

- Patronage of Domestic Service increased 36.3% due to Rail Merger and organic growth
- Airport Express patronage grew 8.1%. Cross-boundary patronage increased 4.9% compared with same period last year
- Pre-sales of The Capitol and The Palazzo completed with 100% and more than 80% units sold respectively
- Che Kung Temple property package awarded in April 2008
- Significant network expansion in coming years with six new lines
- Good progress on Kowloon Southern Link, West Island Line and South Island Line (East)
- Shatin to Central Link, Kwun Tong Line Extension and Express Rail Link approved by Government for further planning and design

* The merger of the rail operations of MTR Corporation and Kowloon-Canton Railway Corporation (KCRC) and the acquisition of certain property interests by MTR Corporation from KCRC, full details of which are set out in the Rail Merger Circular dated 3 September 2007. The Rail Merger was completed on 2 December 2007.