



49
New Shops
Added



「 Providing Your Needs 」



4G
Data access along
the journey





Hong Kong Station Commercial Businesses

Revenue from our Hong Kong station commercial businesses increased by 8.2% in 2014 to HK\$4,963 million. The operating costs of our Hong Kong station commercial businesses rose by 11.0% to HK\$515 million, with the result that operating profits increased by 7.9% to HK\$4,448 million, representing an operating margin of 89.6%.



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Station Retail

Station retail revenue for the year increased by 9.0% to HK\$3,197 million. The increase was mainly due to trade mix refinements, rental renewals of station shops, as well as rental increases from the Duty Free Shops.

We continually refresh and enhance the brand positioning of MTR Shops. Between March and May 2014, a thematic branding campaign re-run "Style to GO" was launched, with station



MTR Shops provide a wide choice of goods and services to address passengers' needs

Executive Management's Report

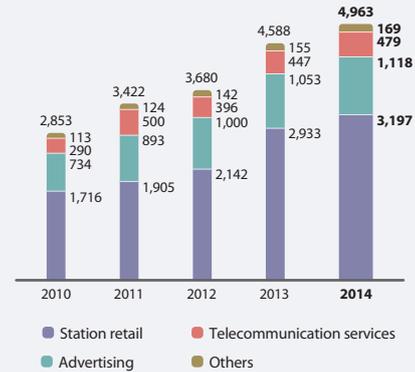
Hong Kong Station Commercial Businesses

publicity and digital media featuring Korean pop stars. Further promoting the stylish convenience positioning and trade variety of MTR Shops, posters featuring 18 new brands at MTR Shops were displayed across the MTR network during the year. We also made every effort to recruit quality new brands. An MTR Shops Leasing Package was launched in September 2014 to enhance leasing terms by offering a set of differentiating benefits riding on our brand value. In September 2014, a voting campaign with the theme of "My Favourite MTR Shops 2014" was launched for all MTR Club Members. The aim of the campaign was to promote the wide variety of MTR Shops and to recognise the efforts made by MTR Shops tenants in serving passengers' daily needs. In November 2014, an online game with a lucky draw was launched to enhance customers' liking and awareness of MTR Shops as well as to promote MTR Shops as a preferred shopping destination.

Revenue from Hong Kong Station Commercial Businesses

Revenue increased in 2014 due to an improvement in station shop rental and advertising revenues.

(HK\$ million)



Themed advertising packages create impact for advertisers promotion campaigns



iCentres and Wi-Fi hotspots provide free Wi-Fi service to passengers

As at 31 December 2014, there were 1,350 station shops, covering 55,696 square metres of retail space. During the year, 14 new shops were added at Kennedy Town and HKU stations in December and 35 new shops were added at nine other stations. In total, 28 new brands were introduced to our station shops network. The demolition of shops at Hung Hom station to facilitate construction works for the Shatin to Central Link offset additional floor space from the new shops, however, leading to a 1% decline in overall retail space.

Advertising

During 2014, we continually launched timely sales packages to attract and retain advertisers. These supported an increase in advertising revenue, which grew by 6.2% in 2014 to HK\$1,118 million. "Soccer Fever" and a number of other sales packages were rolled out during the year to generate more advertising revenue. We also added more large-scale advertising formats.

Eight new single-sided and six double-sided concourse 12-sheet panels were added in Hong Kong, Kowloon and Airport stations, while 31 floor-mounted 12-sheet panels were installed at Kwai Fong and Kwai Hing stations. As at 31 December 2014, the total number of advertising units had reached 45,007.

Telecommunications

Revenue from telecommunications in 2014 increased by 7.2% to HK\$479 million. This rise was mainly due to mobile data capacity increases by telecom operators. Installation is currently underway for the provision of Wi-Fi services in South Island Line (East) and Kwun Tong Line Extension stations. We are targeting the provision of services on the first day of operation of these new stations. The extensive two-year project to enhance 2G and 3G capacity in 48 stations was completed during 2014.