

Profit/Loss for East Rail Domestic Services
Forecast for the year 2001

(\$ million)

Revenue		1,192
Operating costs		
Electricity		146
Repair and maintenance		
• Trains	148	
• Tracks and civil structure	79	
• Train control and power supply system	91	
• Station building and facilities	<u>101</u>	419
Operations		
• Stations	162	
• Train operation	88	
• Promotion and customer services	<u>71</u>	321
Personnel and administration		35
Depreciation		<u>343</u>
Total operating costs		<u>1,264</u>
Net loss before tax		<u><u>72</u></u>

Remarks

1. The revenue forecast assumes a slight growth in daily passenger (0.7%) to 563,000, and a fare increase effective 1 September 2001, which is no longer the case.
2. Electricity costs include all electricity consumption for stations, depots and running of trains, which are estimated according to usage.
3. Costs for repair and maintenance are estimated according to train frequency, or maintenance and renovation programme.
4. Costs for stations under Operations cover station staff costs, ticketing and other expenses.
5. Costs for train operation cover the costs for train crew, ticket inspection etc..
6. Costs for promotion and customer services cover the costs for operating the customer service centres and promotional materials.
7. Costs for personnel and administration include staff training and development costs.

Separate calculations for East Rail domestic
and cross-boundary services

Financial performances for East Rail domestic and cross-boundary services are calculated based on the following principles -

(a) Revenue

Revenue data are captured at ticket barrier (gate) for the domestic and cross-boundary services. Revenues received for journeys which begin or end at Lo Wu station are accrued to the cross-boundary services. Revenues for journeys not involving Lo Wu station are all accrued to the domestic services.

(b) Operating costs

Costs are allocated based on usage. Since Lo Wu station is for cross-boundary services only, all costs for the operations of this station are allocated to the cross-boundary services. Other operating costs are shared, and are allocated based on the number of passengers using the services.