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## **MTR CORPORATION LIMITED**

### **香港鐵路有限公司**

(the “**Company**”)

*(Incorporated in Hong Kong with limited liability)*

(Stock code: 66)

#### **APPOINTMENT OF CHIEF EXECUTIVE OFFICER**

The Company is pleased to announce that, with effect from 1 January 2012, Mr. Jay Herbert Walder will be appointed as Chief Executive Officer for an initial term of thirty months. Mr. Walder will become both a Member of the Executive Directorate and a Member of the Board of Directors with effect from 1 January 2012.

To ensure a smooth transition, Mr. Walder will be appointed as CEO Designate on 1 November 2011.

On 29 December 2010, the Company announced that Mr. Chow Chung-kong would retire from his position as Chief Executive Officer and cease to be a Member of the Board of Directors on 31 December 2011 and that a worldwide search for his replacement would be undertaken. Following such search the Company is pleased to announce that, with effect from 1 January 2012, Mr. Jay Herbert Walder will be appointed as Chief Executive Officer for an initial term of thirty months. Mr. Walder will become both a Member of the Executive Directorate and a Member of the Board of Directors with effect from 1 January 2012.

To ensure a smooth transition, Mr. Walder will be appointed as CEO Designate on 1 November 2011.

Mr. Walder, aged 52, will be responsible for overseeing all of the Company’s operations as well as leading the Company towards continued development.

Mr. Walder has worked in the rail industry, both in England and in the United States, for over 20 years. He will move to the Company from his current role as Chairman and Chief Executive Officer of the New York Metropolitan Transportation Authority (“**MTA**”), the largest passenger transportation authority in the United States. Between 2001 and 2007, Mr. Walder was the Managing Director, Finance and Planning, of Transport for London and from

1983 to 1995 he held various positions with the MTA, culminating in his role as Executive Director and Chief Financial Officer. Mr. Walder's other postings have included Lecturer at the John F. Kennedy School of Government at Harvard University (from 1995 to 2001) and Partner at McKinsey & Company, London (from 2007 to 2009) where he was the Global Leader of the Infrastructure Practice for the firm.

Mr. Walder holds a Bachelor of Science in Economics with Honors from the State University of New York at Binghamton, Harpur College, and a Master in Public Policy from the John F. Kennedy School of Government at Harvard University. He also completed the Executive Programme in Strategic Leadership from Templeton College at the University of Oxford.

Mr. Walder is on the Executive Board of the International Association of Public Transport (UITP), the Executive Committee of the American Public Transit Association (APTA), the Board of Advisors of the Taubman Center at the Harvard Kennedy School, and the Board of Advisors of the Eno Transportation Foundation.

Mr. Walder has entered into a service agreement with the Company for the position as Chief Executive Officer for thirty months commencing on 1 January 2012. The amount of his emoluments (which excludes discretionary variable remuneration) specified in his service agreement is HK\$7,200,000 per annum. In addition, he will be entitled to discretionary variable remuneration related to performance. Mr. Walder will also be entitled to participate in the Company's share option scheme and has been granted a derivative interest in 300,000 shares in the Company under the Company's restricted share award plan. Mr. Walder's total emoluments (including his derivative interest in shares in the Company) have been determined by the Company's Remuneration Committee, with reference to his responsibilities, experience and qualifications.

As at the date of this announcement, Mr. Walder has not held any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not hold any position with the Company or its subsidiaries.

Mr. Walder is not related to any Directors, senior management or substantial or controlling shareholder of the Company.

Mr. Walder was granted a derivative interest in respect of 300,000 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO"). The derivative interest represents Mr. Walder's entitlement to be paid an equivalent value in cash of 300,000 shares in the Company following 30 June 2014, being the date on which his initial term of office is expected to expire (35 per cent. of which shall be deemed to be earned at 31 October 2013 and 65 per cent. of which shall be deemed to be earned at the end of his term of office), subject to the detailed terms of the derivative interest. As at the date of this announcement, other than as disclosed above, Mr. Walder is not interested in any shares in the Company within the meaning of Part XV of the SFO.

In respect of Mr. Walder's appointment, there is no other information which is discloseable pursuant to any of the requirements of the provisions of Rules 13.51(2)(h) to (v) of the Rules

Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and there is no other matter relating to his appointment which needs to be brought to the attention of the holders of securities of the Company.

By order of the Board  
**Leonard Bryan Turk**  
*Company Secretary*  
MTR Corporation Limited

Hong Kong, 22 July 2011

*Members of the Board:* Dr. Raymond Ch'ien Kuo-fung (*Chairman*)\*\*, Chow Chung-kong (*Chief Executive Officer*), Vincent Cheng Hoi-chuen\*, Christine Fang Meng-sang\*, Edward Ho Sing-tin\*, Alasdair George Morrison\*, Ng Leung-sing\*, Abraham Shek Lai-him\*, T. Brian Stevenson\*, Professor Chan Ka-keung, Ceajer (Secretary for Financial Services and the Treasury)\*\*, Secretary for Transport and Housing (Eva Cheng)\*\* and Commissioner for Transport (Joseph Lai Yee-tak)\*\*

*Members of the Executive Directorate:* Chow Chung-kong, William Chan Fu-keung, Chew Tai Chong, Thomas Ho Hang-kwong, Jacob Kam Chak-pui, Lincoln Leong Kwok-kuen and Leonard Bryan Turk

\* *independent non-executive Directors*

\*\* *non-executive Directors*

This announcement is made in English and Chinese. In case of any inconsistency, the English version shall prevail.

