

A FOREWORD BY OUR CHAIRMAN



In 10 years, we have packed a lot into our relatively young life. ComfortDelGro today is not just a land transport operator in Singapore, running buses, taxis and MRT trains. We are one of the world's largest passenger land transport companies, operating in seven countries, 31 cities and four time zones. We move 1.5 billion people every year – and continue to build on that number. We operate a whole gamut of land transport and related services – from running buses, taxis, trains and rental cars, to offering workshop, inspection and testing services, driver training, advertising as well as insurance broking services.

This is a far cry from what we were just slightly over a decade ago – when we operated as two separate and competing companies, with operations very much focussed on the island state of Singapore.

Today, ComfortDelGro Group's revenue is 2.1 times the combined revenue of the two separate companies then – Comfort Group and DelGro Corporation – while our net profit attributable to shareholders has grown by 1.6 times, despite the continued onslaught of rising costs over the years. We have a global fleet of about 45,800 vehicles and an international staff strength of over 20,200 employees.

Our success is by no means incidental.

Our journey in the first five years has been well-chronicled in our book "The ComfortDelGro Story". In this first phase, we concentrated on the challenge of institutional integration, reaping the economies and synergies, even as we worked on our strategy of global expansion. All these objectives had been outlined in the Merger Document, and we worked hard at laying the foundations for them.

The ensuing five years proved to be more challenging as global costs skyrocketed and growth opportunities became harder to come by. We did not buckle under the growing pressure. We continued to build on our overseas footprint and increased our domain knowledge in the countries and cities we operated in. At the same time, we worked hard at improving the corporate structure of the Group, improving on processes and efficiency.

We further strengthened our core.

Building up the Group is more an art than a science. On the one hand, it requires immense skill in corporate manoeuvring ranging from dexterity in hedging, to navigating the complex regulatory environment. On the other hand, it demands a hands-on, grassroots approach to relationship building – with customers, regulators, suppliers and shareholders. It is a business which affects practically every household in a community and must, therefore, remain sensitive to the needs and demands of the community.

As non-executive Chairman, my role can be likened to that of a football coach – I stand by the sidelines, orchestrating the game. Managing Director/Group Chief Executive Officer is like the captain of the team – he has full hands-on involvement in every aspect of the game and directs play on the field. Indeed, the Group has been very fortunate to have Kua Hong Pak helm its operations

over the last 10 years. His foresight, dedication and passion have been instrumental in our climb up the league table.

Along the way, countless stories will have unfolded. Some of these will have been captured in the yearly report card we publish – our annual report. Others, will remain untold.

These stories are, however, no less important. In fact, in some ways, they are even more significant than the headline numbers. They are stories about the hearts and minds of the people in this Group – they tell of passion, dedication and perseverance.

They tell of the many unsung heroes who work with us – the bus driver who defended a busload of passengers against a violent attack, the honest cabby who returned S\$1.1 million and station officials who looked after a lost and confused old man through the night.

There are also many technology and process innovations in the Group – from the way we change the oil in our vehicles' engines, to the collection of rainwater to wash our buses, to the sophisticated computers which help us to design and operate some of the most complex bus routes and call centres in the world.

That has been our work for the past 10 years. What of the future?

By 2023, China will become the world's largest economy. India should be well along the developmental path with her reforms, while the Euro zone will likely remain bleak. ASEAN will probably progress by then, having come from a low base, while Australia is likely to be more integrated with Asia.

The geopolitical climate will almost certainly change. We will need to be prepared for the New Order.

In the land transport business, ASEAN will experience a rise in living standards – with higher car ownership and a more sophisticated public transport infrastructure. Singapore would have reached its steady state population with a fully developed MRT and public bus transport system.

Against such a backdrop, how will the ComfortDelGro story unfold?

I foresee significant challenges presenting themselves along the way. But I am confident that the foresight, entrepreneurial spirit coupled with strong management skills that have brought the Group thus far, will continue to stand us in good stead.

Together we will meet the challenges and tasks ahead.

Together, we will continue to grow.

LIM JIT POH
CHAIRMAN
COMFORTDELGRO
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