



中国南车股份有限公司
CHINA SOUTH LOCOMOTIVE & ROLLING STOCK CORPORATION LIMITED

China South Locomotive & Rolling Stock Corporation Limited 2008 Interim Results Announcement



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Meeting Sessions

Management Presentation

- Overview
- Operating Results
- Financial Results

Q&A



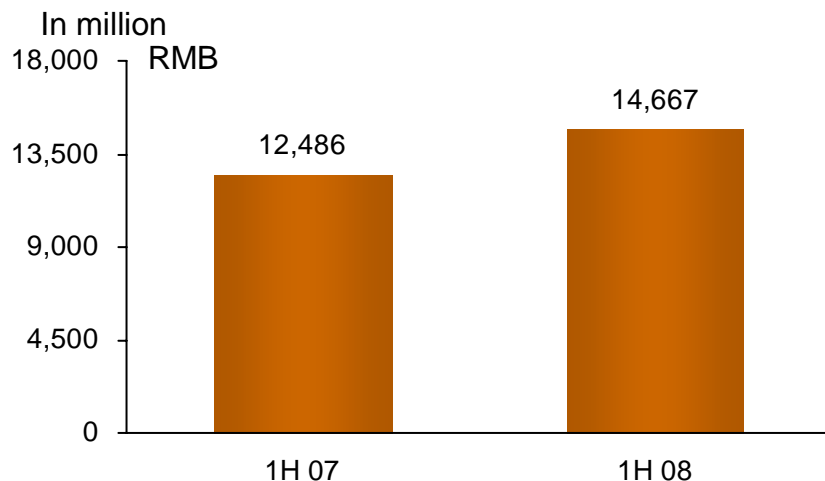
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1. Overview

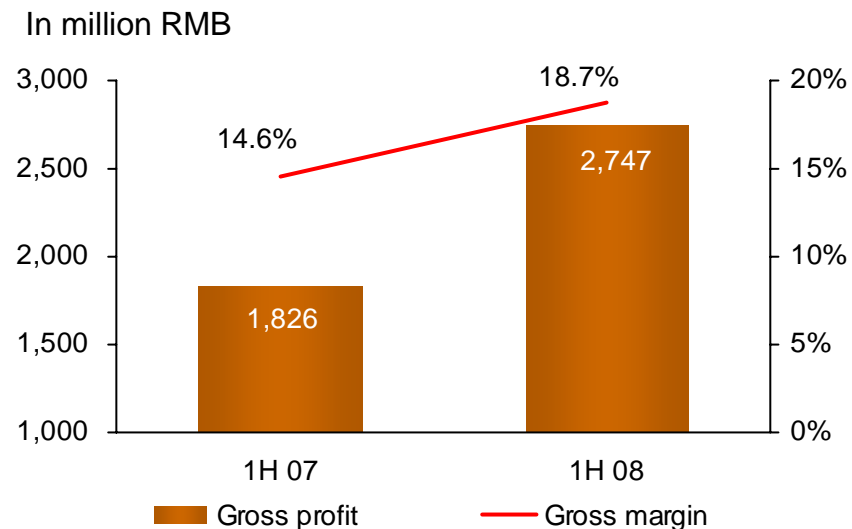


Outstanding Operating and Financial Results

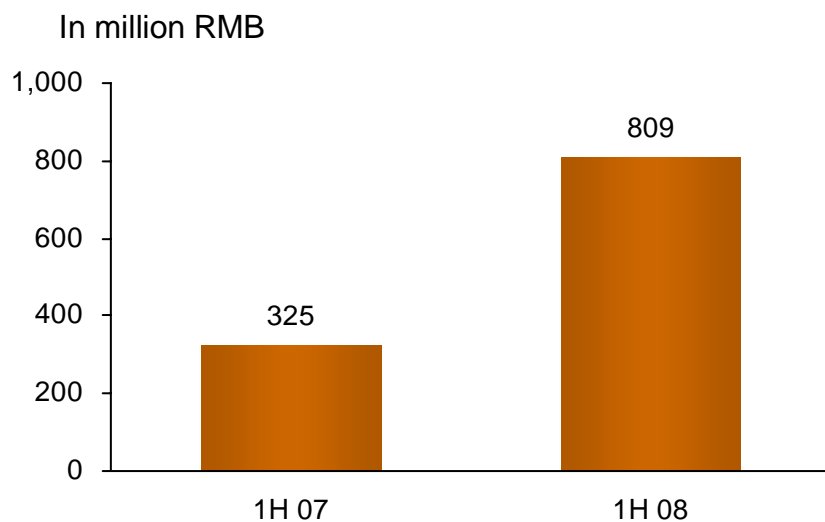
Operating revenue



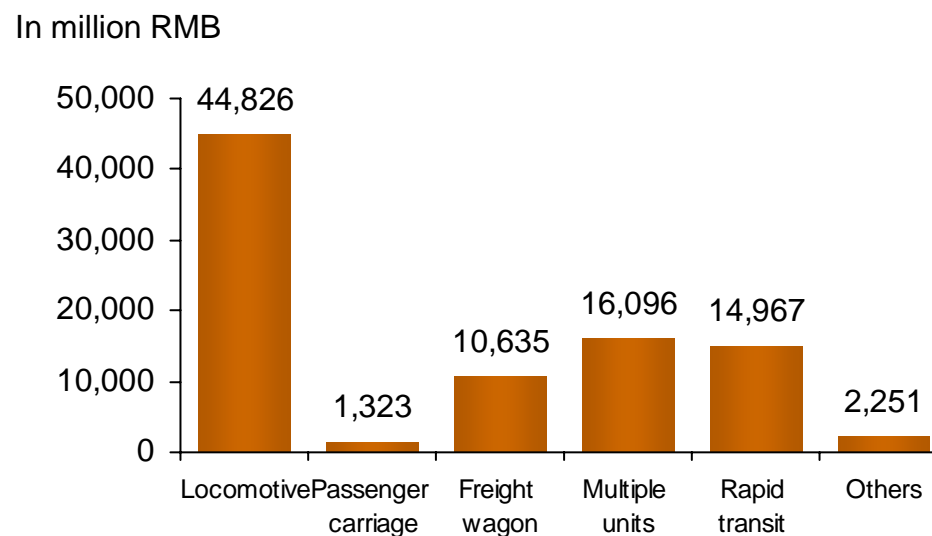
Gross profit and gross margin



Net profits attributable to equity holder of the company



Backlog value



CSR Was Successfully Listed in Both A Share and H Share Markets

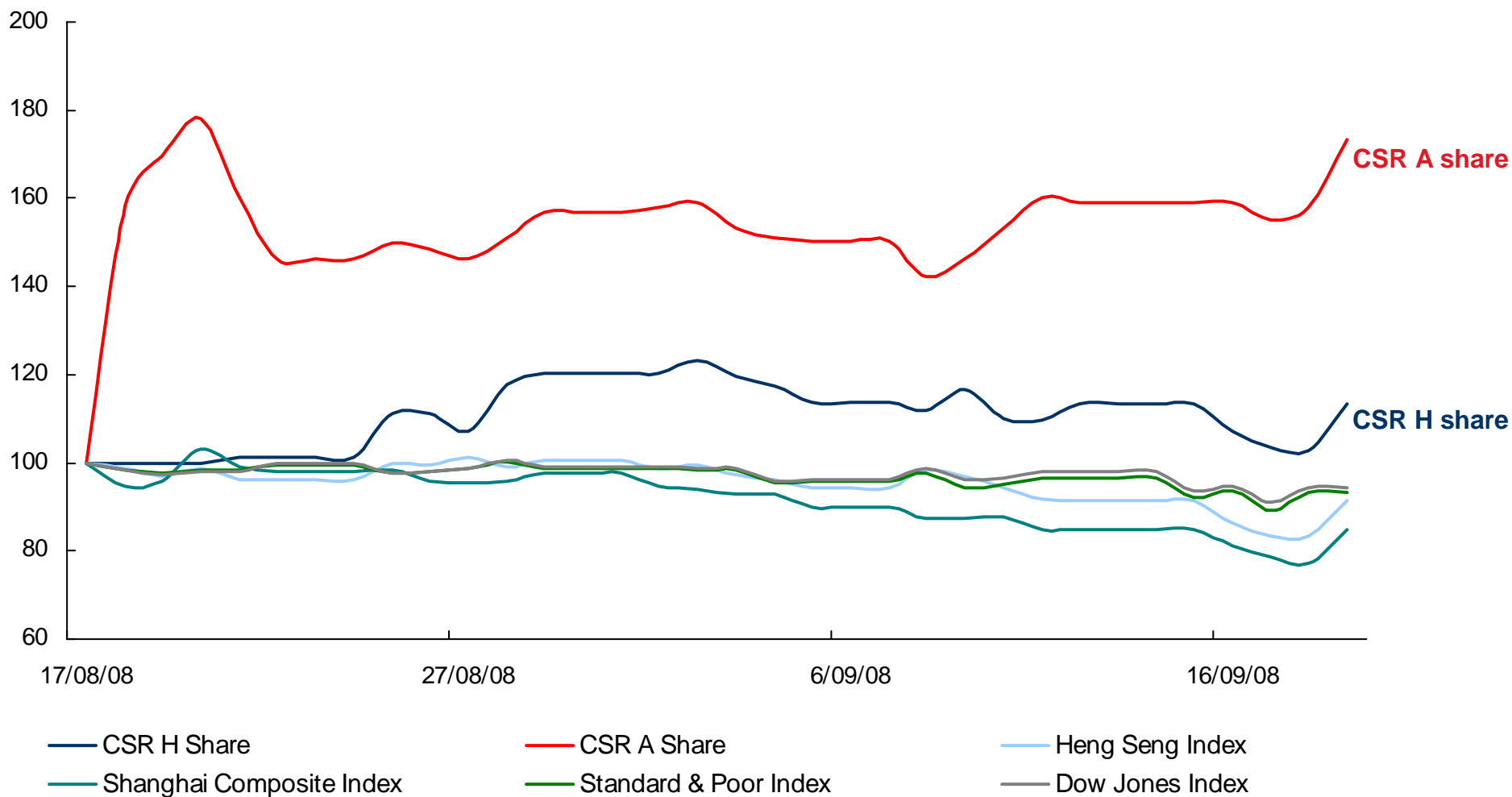


	A-share	H-share
Offering size	<ul style="list-style-type: none"> 3 billion A shares, accounting for 25.9% (Before green shoe) or 25.3% (After green shoe) of total equity after A/H shares are issued 	<ul style="list-style-type: none"> 1.6 billion shares issued before green shoe, accounting for 13.8% of total equity in issuance 1.84 billion shares issued after green shoe, accounting for 15.5% of total equity in issuance
Proceeds	<ul style="list-style-type: none"> RMB 6.54 billion 	<ul style="list-style-type: none"> HK\$ 4.16 billion before green shoe (RMB3.65 billion), HK\$ 4.78 billion after green shoe (RMB 4.20 billion)
Offering price	<ul style="list-style-type: none"> RMB 2.18/share PER estimated at 19.0x for 2008 (after A/H shares issuance and green-shoe) 	<ul style="list-style-type: none"> HK\$ 2.60/share (RMB 2.28) PER estimated at 19.9x for 2008 (after A/H shares issuing and after green-shoe)
Offline offering/ international placement	<ul style="list-style-type: none"> Funds frozen offline: RMB 357.1 billion, final allotment proportion after claw-back: 0.366% 	<ul style="list-style-type: none"> Total demand of RMB4.88 billion, 10.4 times over-subscribed
Online offering/ Public offering	<ul style="list-style-type: none"> Fund frozen online: RMB 1,912.5 billion, final lot-winning rate after claw-back:0.274% 	<ul style="list-style-type: none"> Total demand of 2.07 billion shares and HK\$ 5.77 billion, 12.9 times over-subscribed
Listing venue	<ul style="list-style-type: none"> Shanghai Stock Exchange 	<ul style="list-style-type: none"> Hong Kong Stock Exchange
Pricing/listing date	<ul style="list-style-type: none"> August 5, 2008 / August 18, 2008 	<ul style="list-style-type: none"> August 14, 2008 / August 21, 2008

Solid Performance in Volatile Markets



Despite volatility in global stock markets, CSR's stock performance remains solid





2. Operating Results



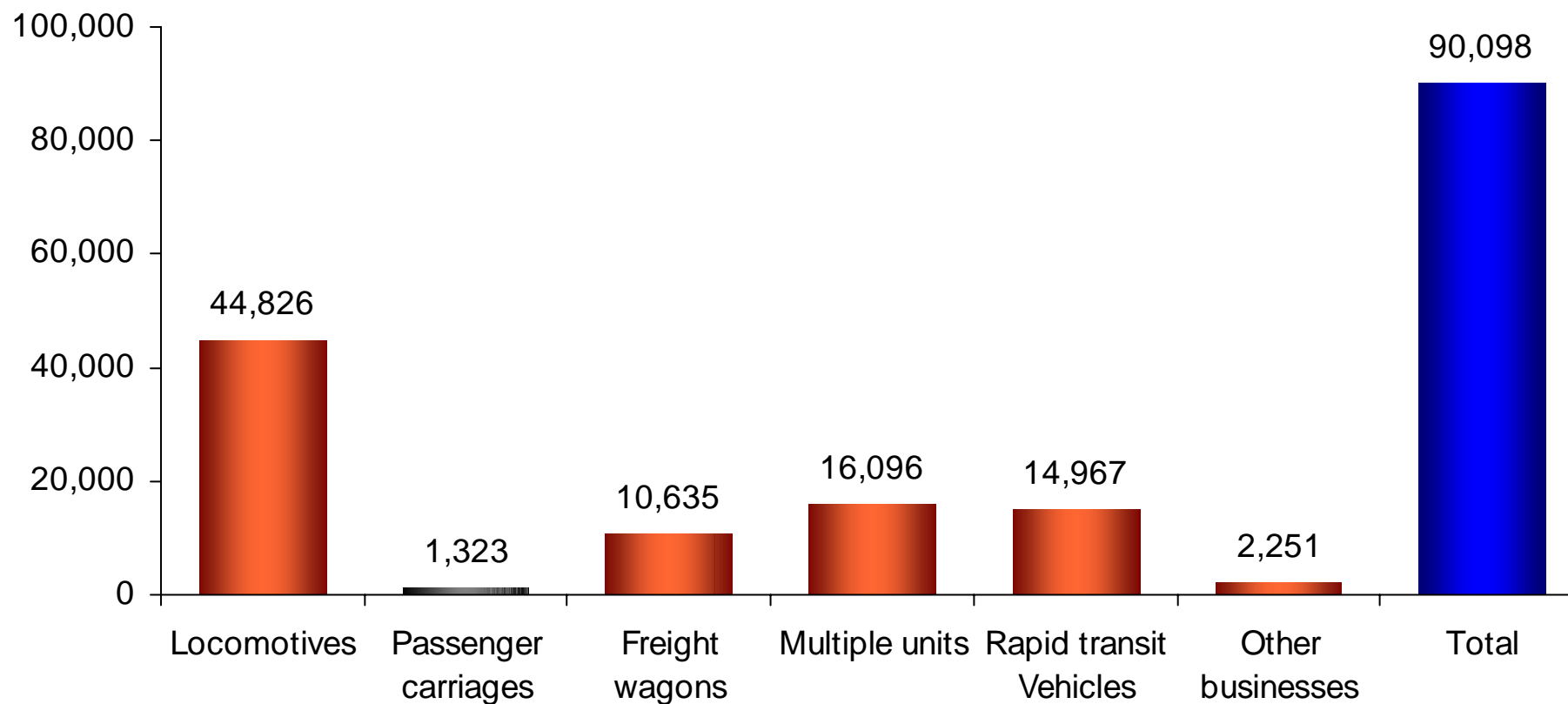
Operating Strategies



Stable Business Growth

Backlog value

In million RMB



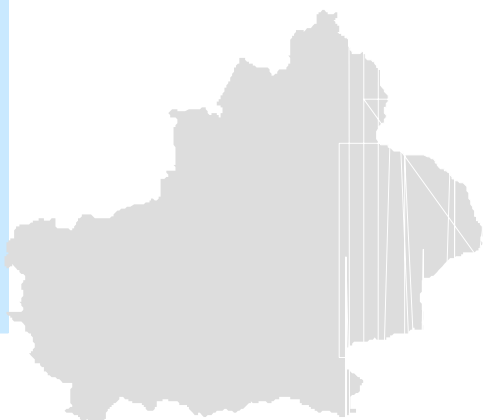
Fast-growing Domestic Businesses



Fast-growing Domestic Business (Continued)



First time that domestically produced core components such as traction and brake system were adopted on Shenyang Subway Line 2



Beijing Subway Line One during Olympic Games

CSR's winning bid for Shanghai Subway Line 1 DC-to-AC conversion project

Bawangfeng-Tongxian light rail for Beijing Olympic Games



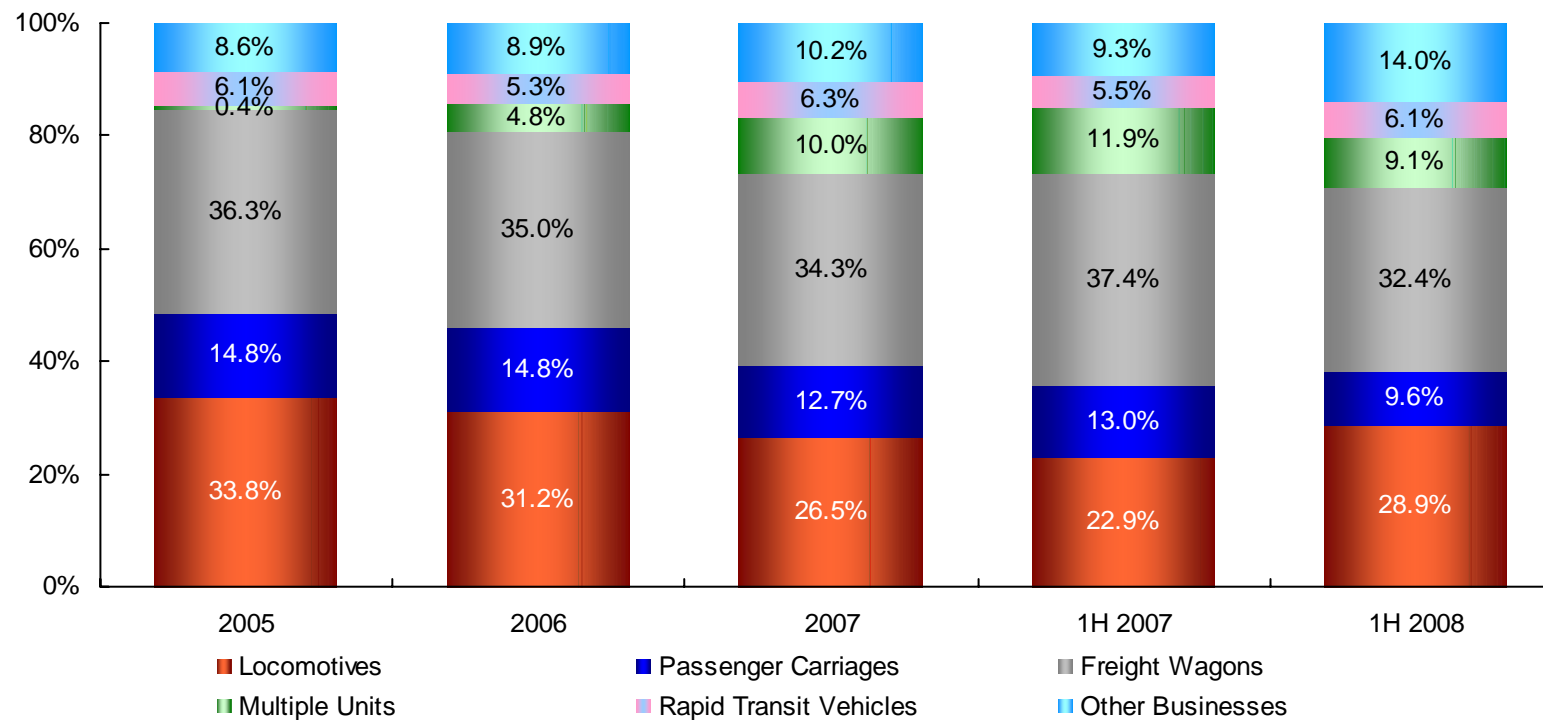
Further Expanded Overseas Business

- In 1H 08, CSR's overseas business continues to grow, with the backlog value reaching RMB 3.552 billion



More Balanced Revenue Structure

More balanced revenue structure



- The overall proportion made up of multiple units, rapid transit vehicles and derivative businesses is rising, with revenue more more evenly distributed among various business segments and the structure better optimized



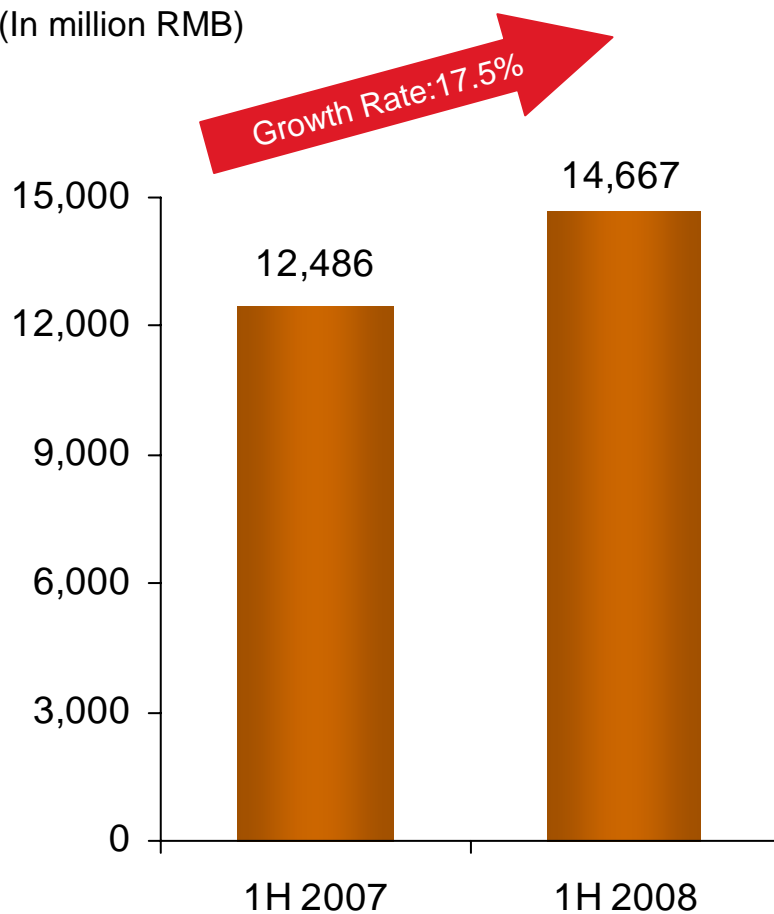
3. Financial Results



Significant Increase in Sales Revenue

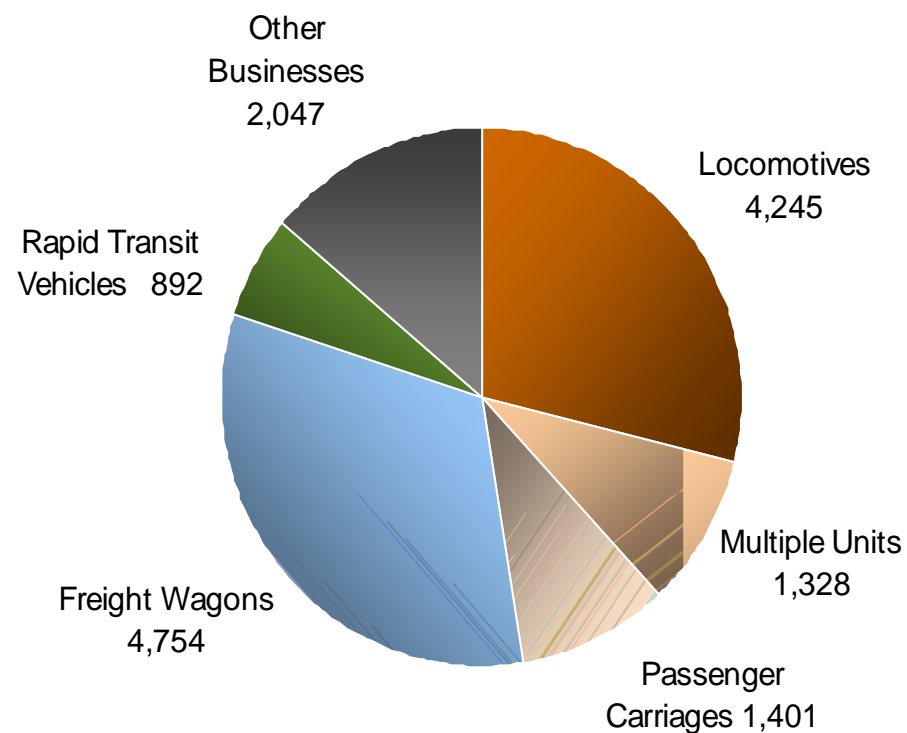
Sales revenue

(In million RMB)



Proportion of each business in total revenue (1H 08)

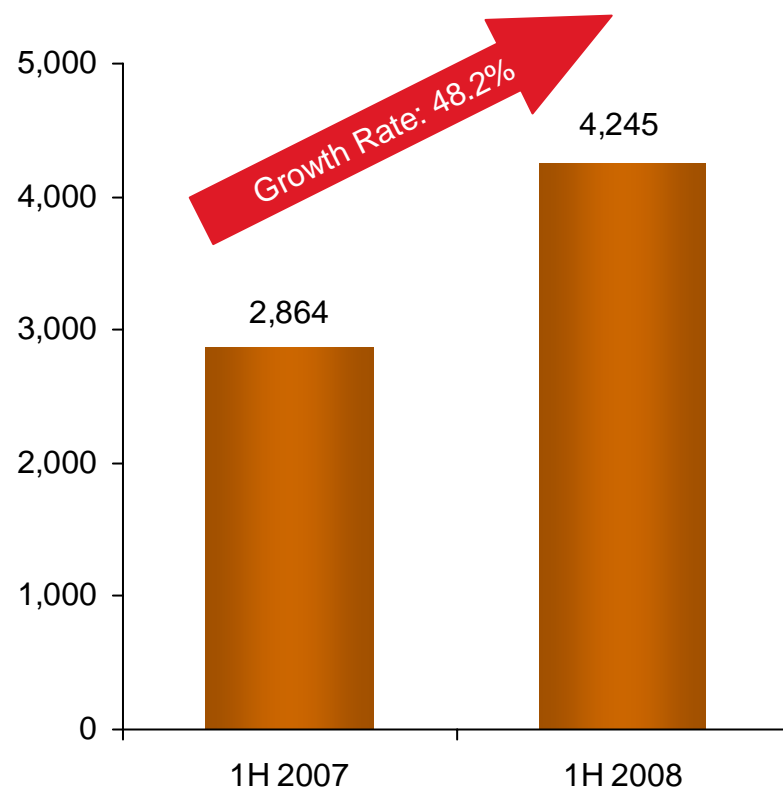
(In million RMB)



Breakdown of Sales Revenue by Businesses

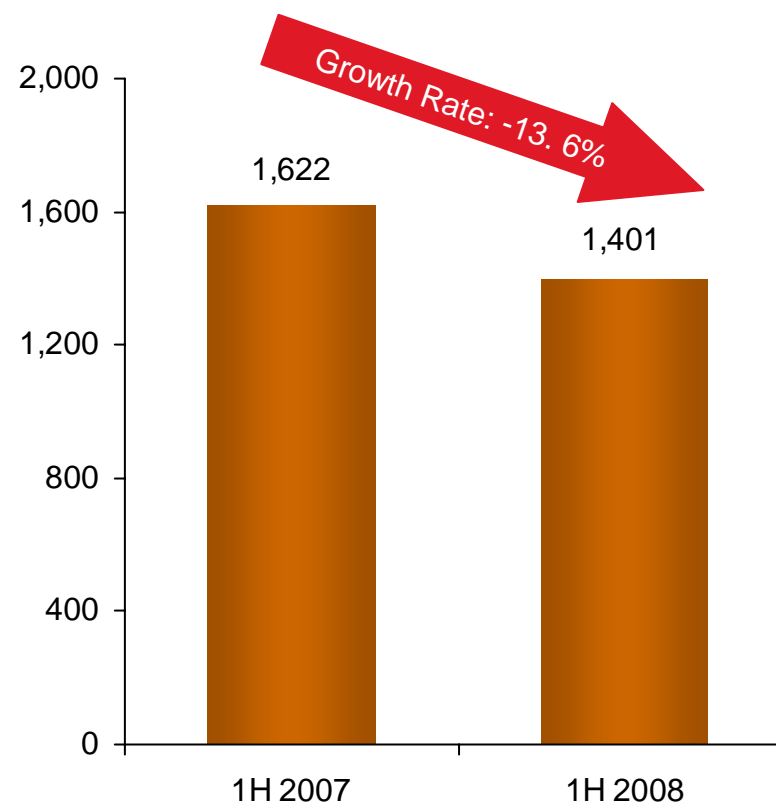
Revenue from locomotives

(In million RMB)



Revenue from passenger carriages

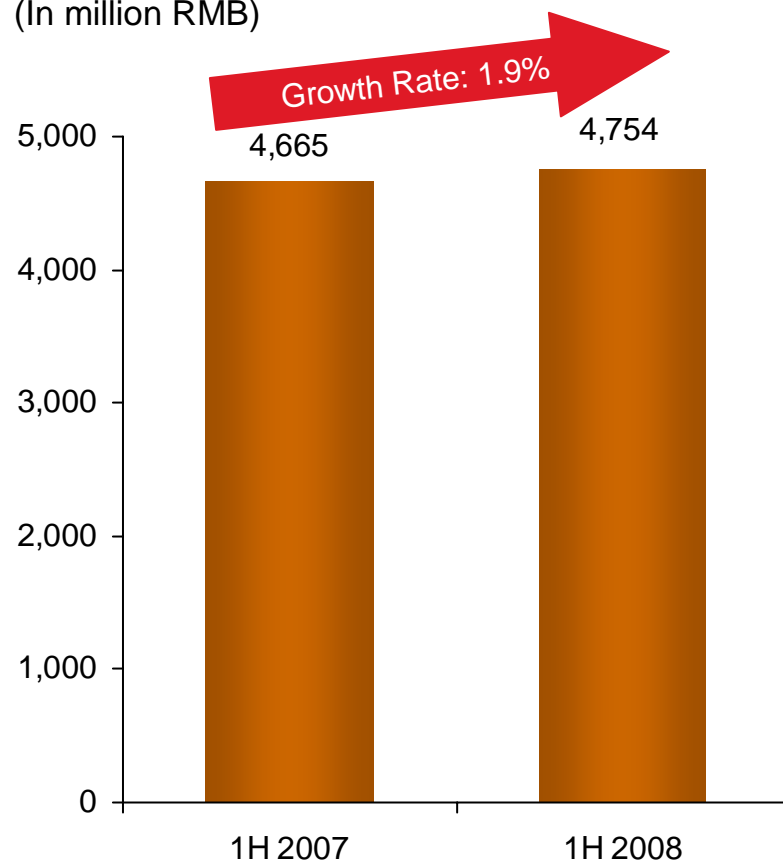
(In million RMB)



Breakdown of Sales Revenue by Business (Continued)

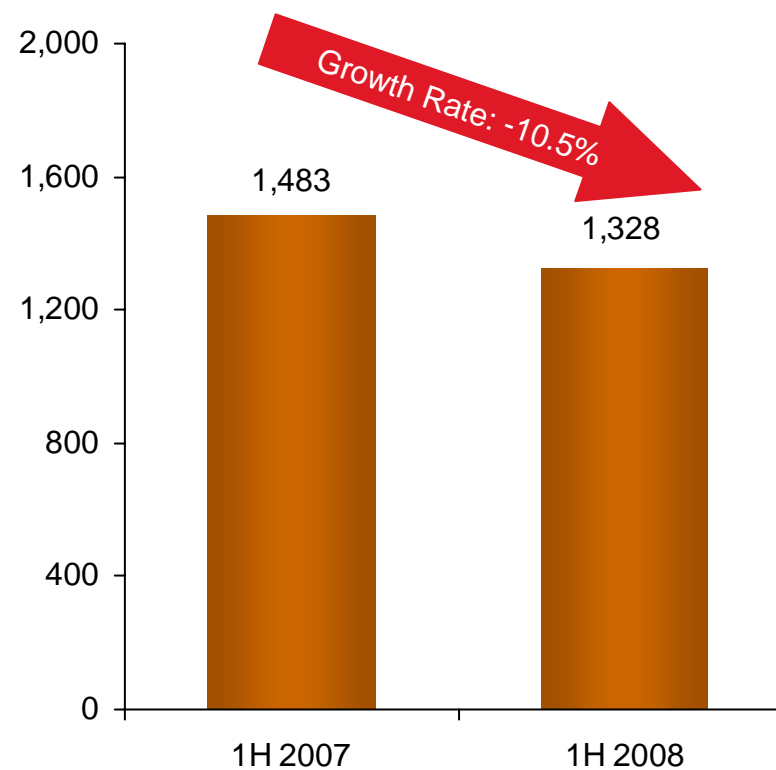
Revenue from freight wagons

(In million RMB)



Revenue from multiple units

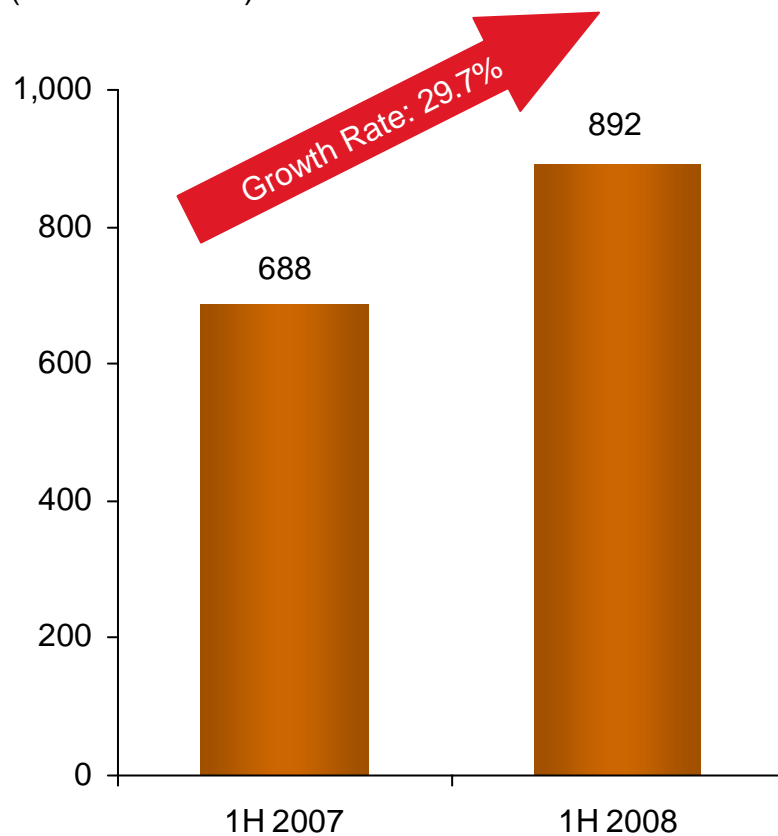
(In million RMB)



Breakdown of Sales Revenue by Business (Continued)

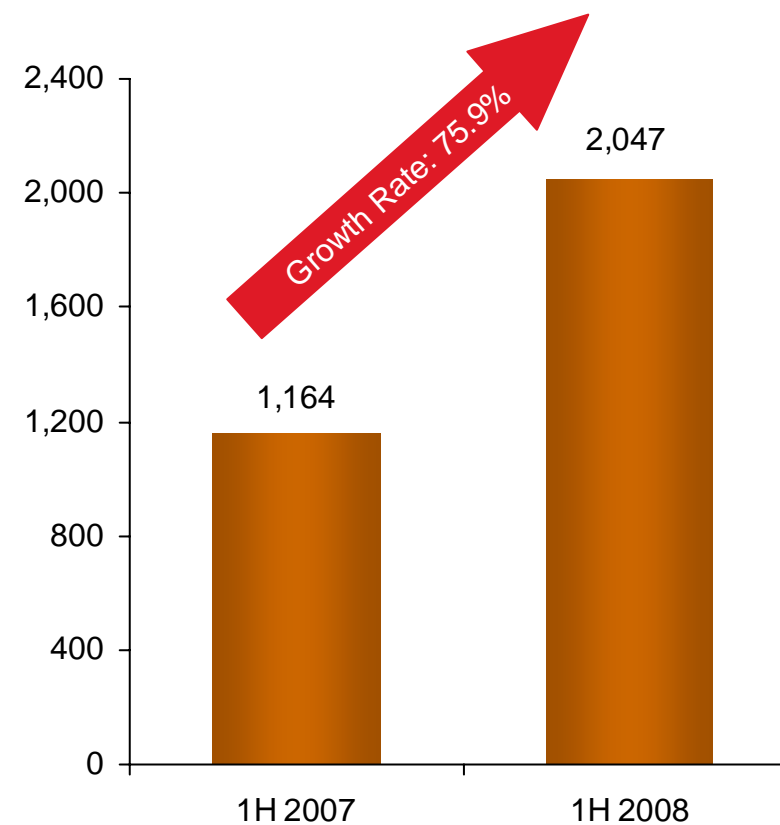
Revenue from rapid transit vehicles

(In million RMB)



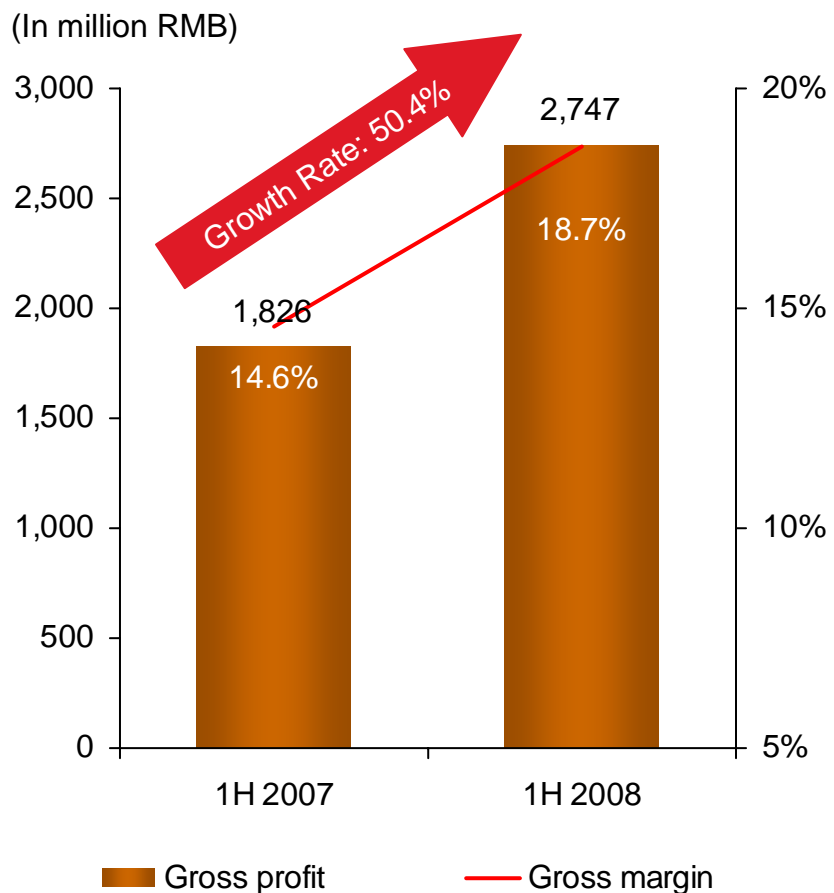
Others businesses

(In million RMB)

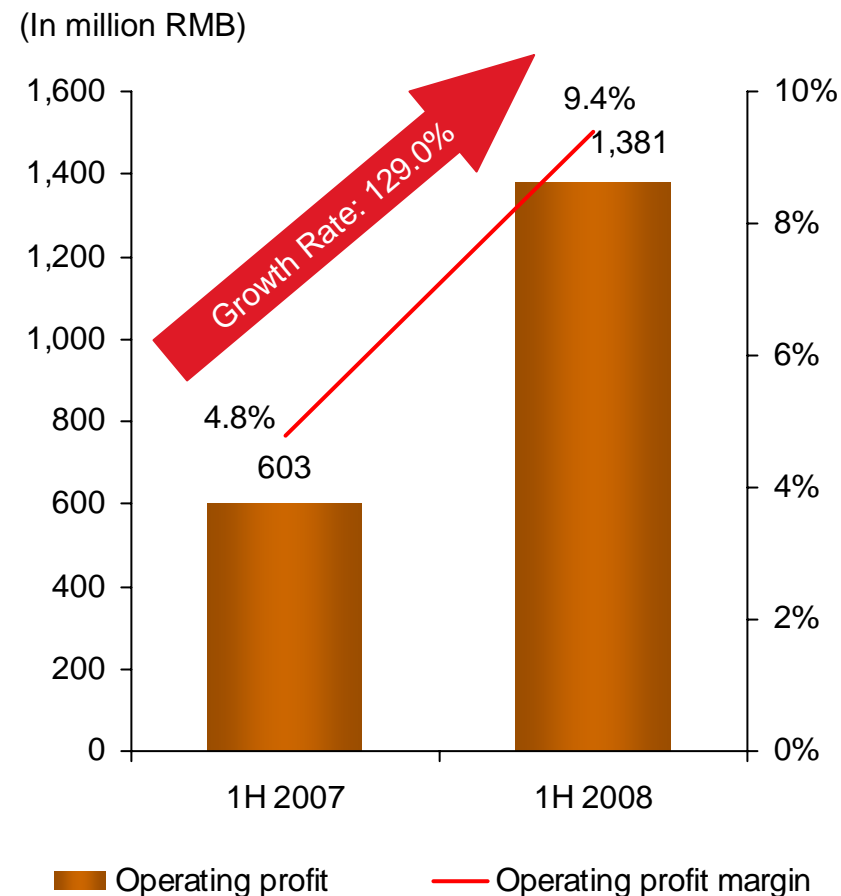


Gross Profit and Operating Profit

Gross profit

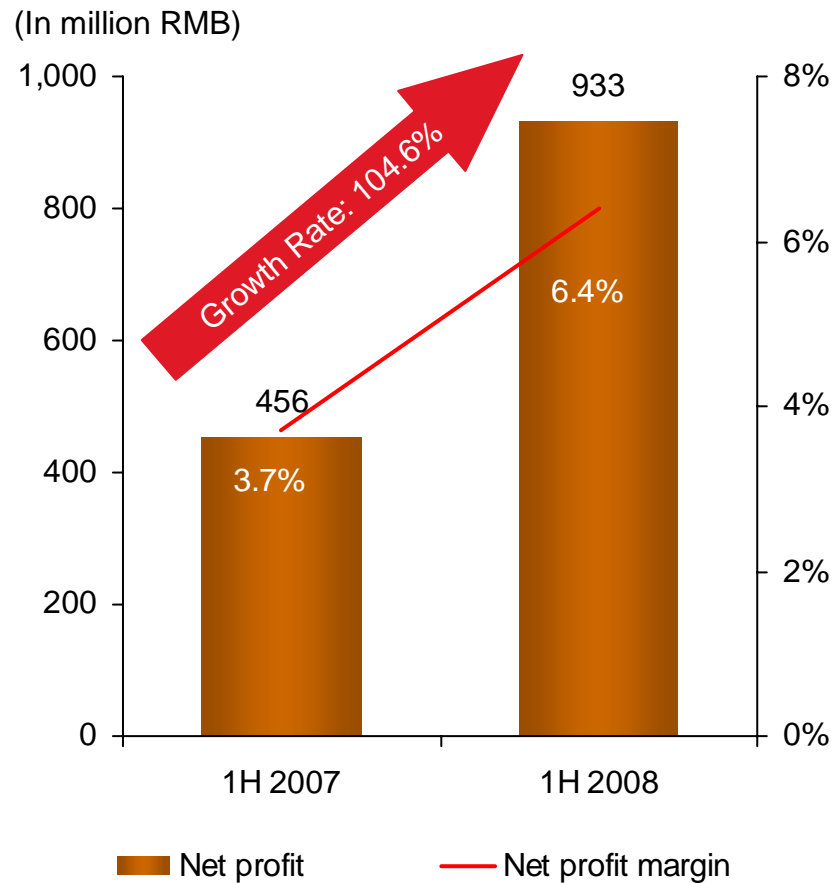


Operating profit

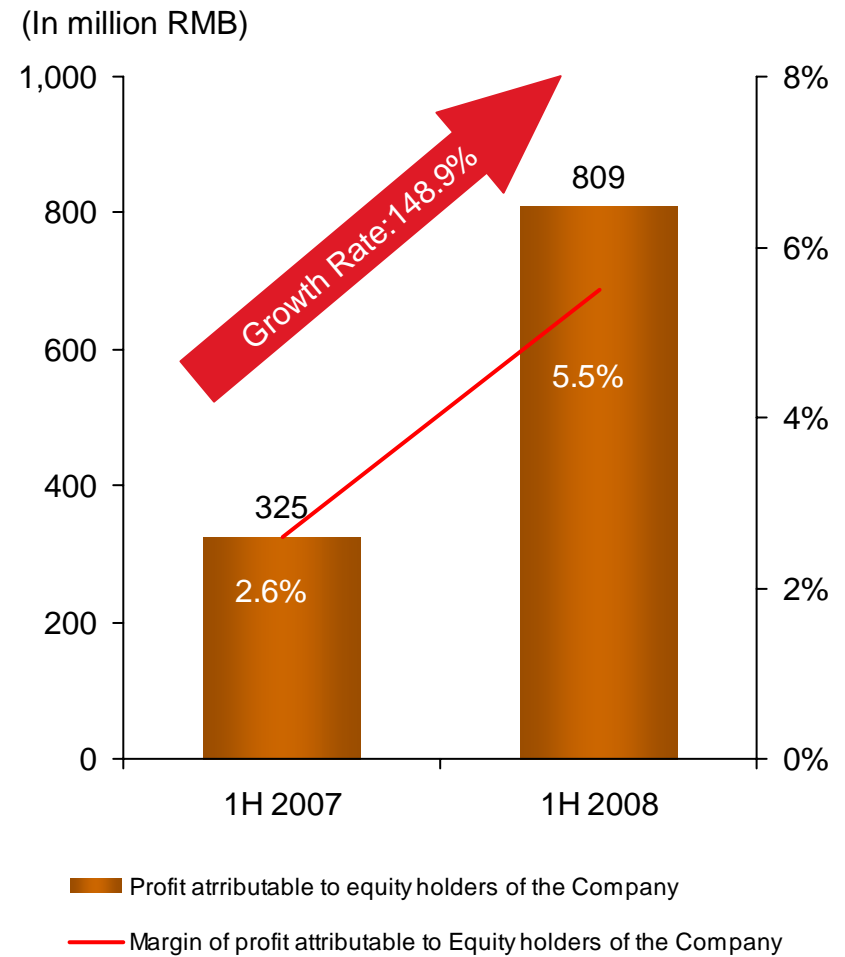


Net Profit and Net Profit Attributable to Shareholders

Net profit

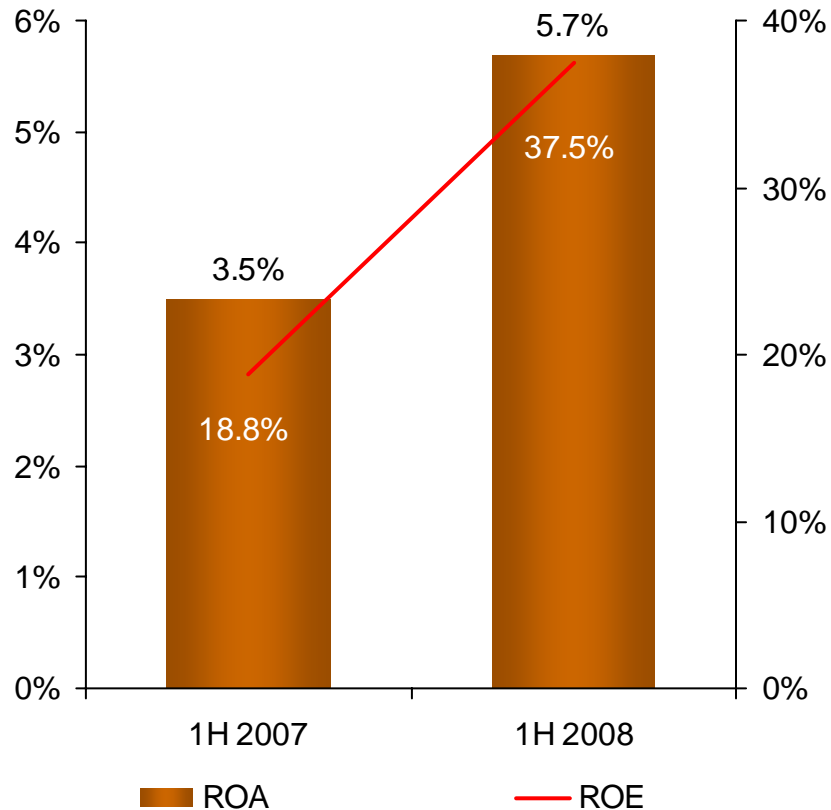


Net profit attributable to shareholders

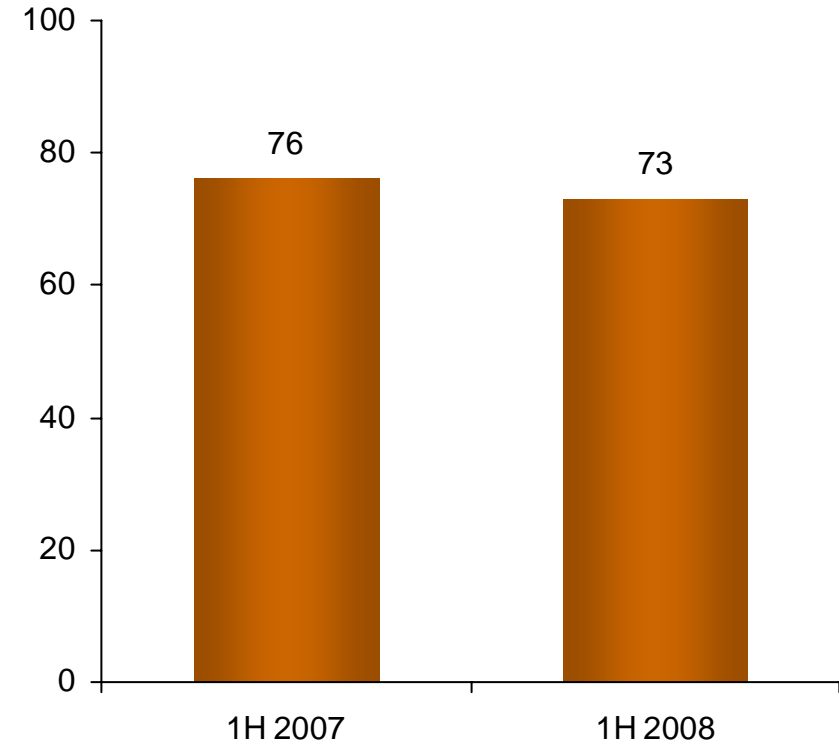


Significantly Improvement of Operating Efficiency

ROA¹ and ROE²



Turnover Days³



Note 1 : $ROA = (\text{net profit} / \text{total beginning assets}) \times 2$

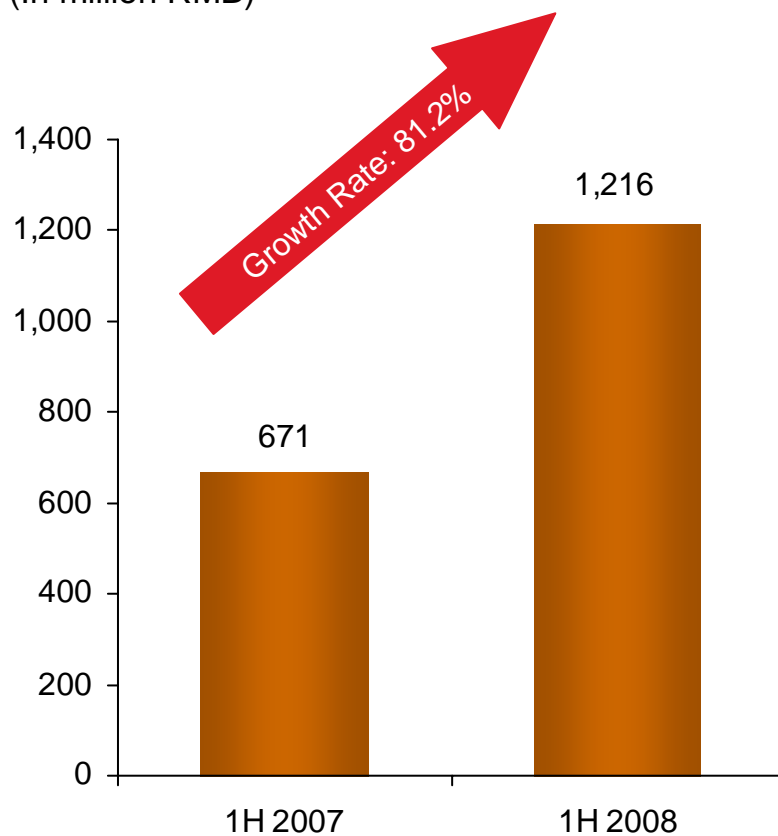
Note 2 : $ROE = (\text{Net profit attributable to shareholders of the parent company} / \text{equity attributable at the beginning period to shareholders of the parent company}) \times 2$

Note 3 : $\text{Turnover Days} = ((\text{Trade receivables and Bill receivables of Beginning of period} + \text{Trade receivables and Bill receivables of End of period}) / 2) / \text{Sales}$

Increase in Capex and R&D expenditure

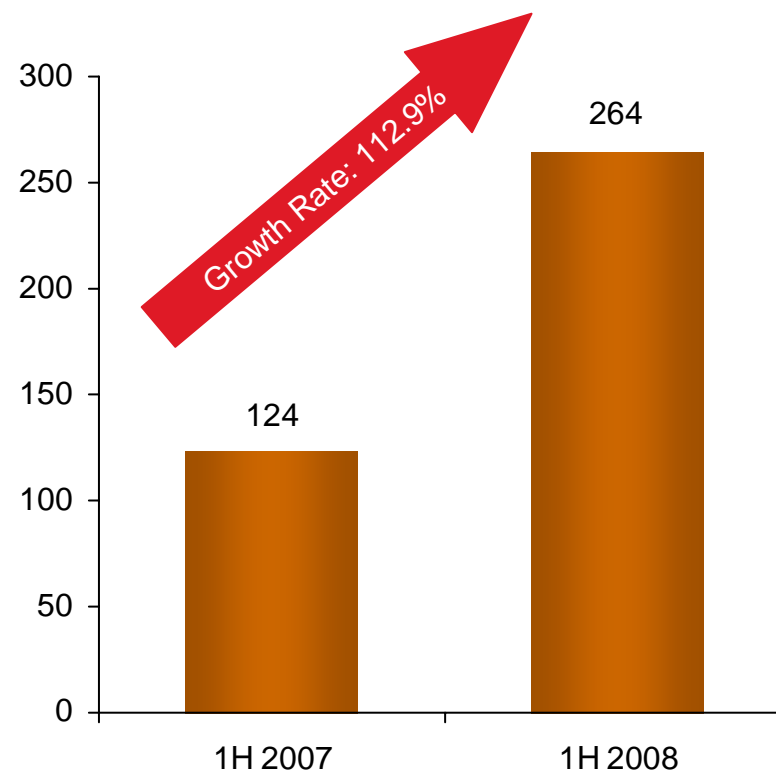
Capital expenditure

(In million RMB)



R&D expenditure

(In million RMB)



Key Metrics of Financial Statements (Continued)



Balance sheet & cash flow statement

In 10,000 RMB

	December 31, 2007	June 30, 2008	Growth rate
Total Assets	32,690,918	34,571,114	5.8%
Including : Cash & Cash Equivalents	7,792,483	3,488,402	(55.2%)
Total Liabilities	26,309,991	27,338,632	3.9%
Including : Total Interest-Bearing Debt	8,365,357	7,857,366	(6.1%)
Owners' Equity	6,380,927	7,232,482	13.3%
Including : Equity Attributable to Equity Holder of the Company	4,311,021	5,116,494	18.7%
Cash Flow Statement	1H 07	1H 08	
Net Cash Inflow from Operating Activities	(1,031,302)	(1,820,818)	
Net Cash Outflow from Investing Activities	(1,376,767)	(1,072,401)	
Net Cash Inflow from Financing Activities	494,099	(765,339)	
Net Increase in Cash & Cash Equivalents	(1,913,970)	(3,658,558)	



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Q & A

