

COMFORTDELGRO

World's Second Largest Land Transport Group

ComfortDelGro Corporation Ltd

World's Second Largest Land
Transport Group

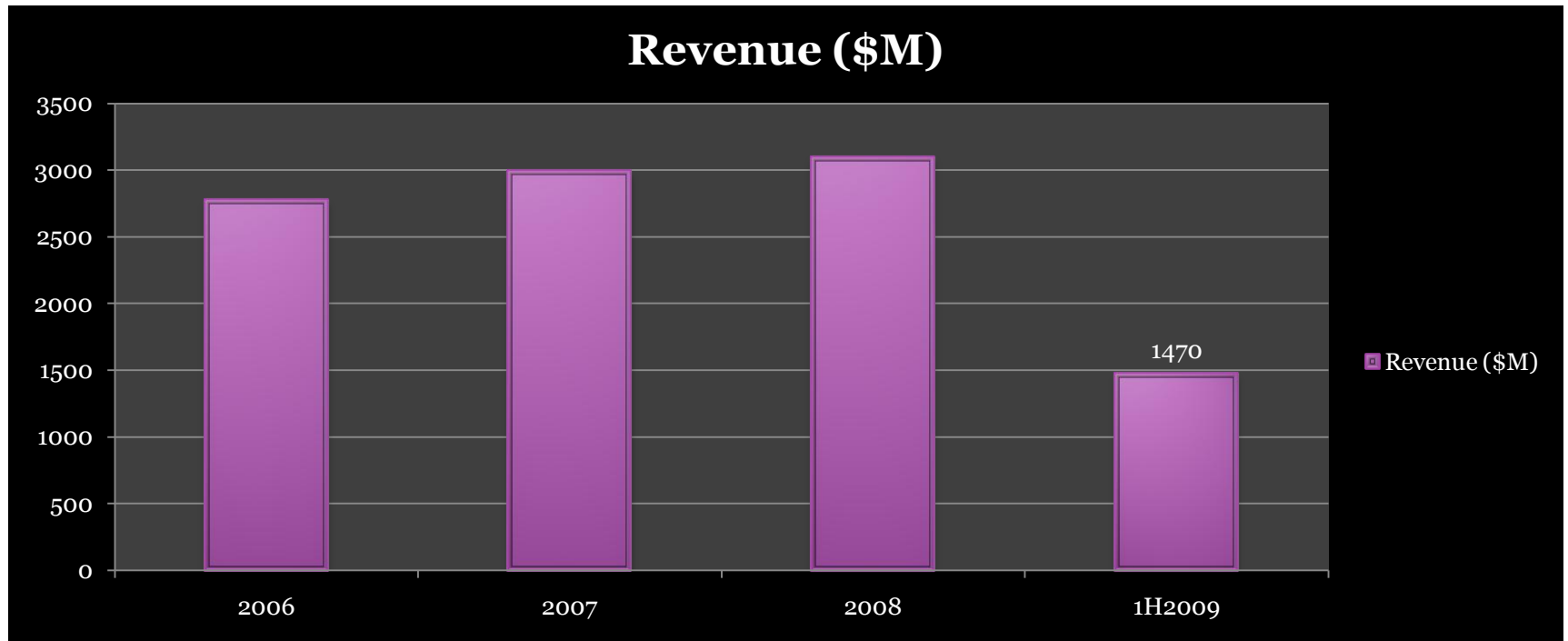
Lye RongFang

The Business

- A land transport company with global fleet of 45,000 vehicles as of December 31, 2008
- Operations in several countries including China, the United Kingdom, Ireland, Australia, Vietnam and Malaysia
- Businesses include bus, taxi, rail, car rental and leasing, automotive engineering, maintenance services and diesel sales, vehicle inspection and technical testing services, learner drivers' instructional services, insurance broking services, outdoor advertising and car dealership

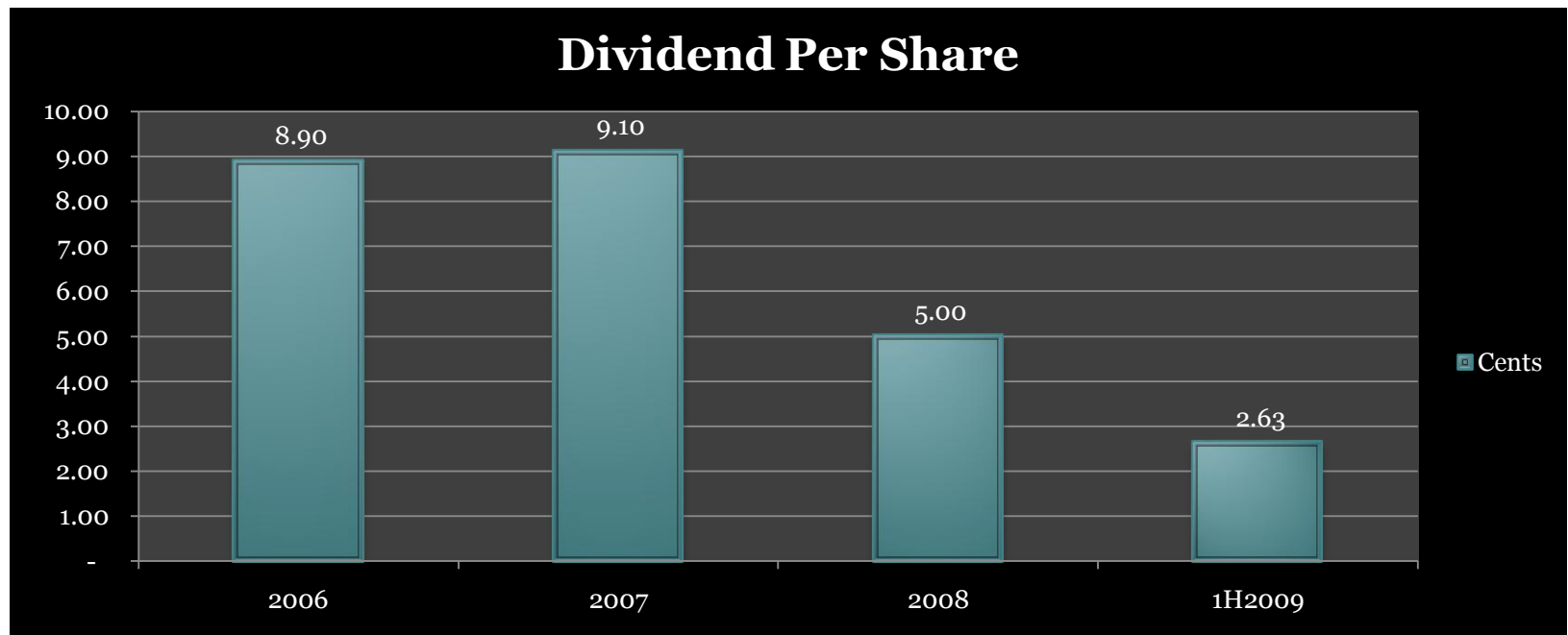
Why ComfortDelGro?

- Growing Revenue
 - (From S\$2.76B to S\$3.10B)



Why ComfortDelGro?

- High Payout Ratio
 - 50% Dividend Payout Ratio

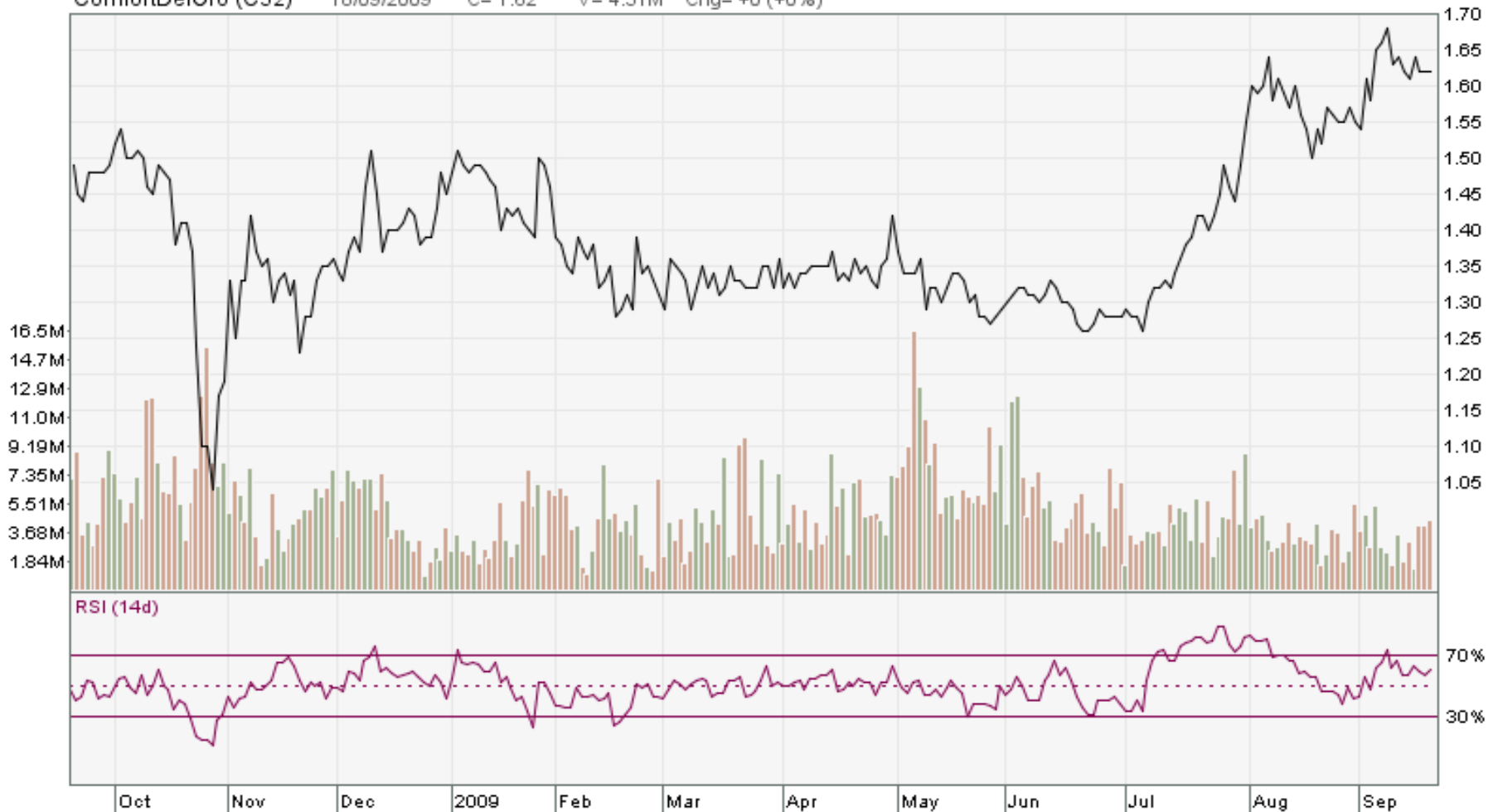


Risks

- High Fuels Costs
 - Hedging of 2009 exposure to oil prices
- Escalating Operating Expenses
 - Wage freeze for executive staff in Year 2009
 - Defer non-critical capital expenditure to conserve cash
- Cash Flows Issues
 - Tighten credit control
 - Tighten collection of account receivables
- High Debt to Equity Ratio
 - 76.8% D/E (Increase in current liabilities due to an increase in trade and other payables)

Looking at the Chart

ComfortDelGro (C52) 18/09/2009 C= 1.62 V= 4.51M Chg= +0 (+0%)



Projection

- Highest \$1.68 (52 wks high), Lowest \$1.04(52 wks low), \$0.64 Spread. Closing Price (18/09/09) \$1.62. \$0.06 upside, \$0.58 downside
- Dividend of \$0.0263 (Payable in 8th Sep 2009)
- Average Cost (After Dividends): \$1.60 (Potential Upside \$0.08)
- Total Projected Amount: \$ 250,000, 154 Lots
- Potential Profit: \$12,320. 4.93% ROI
- Potential Loss: \$86,240. -34.5% ROI

Conclusion

- RSI indicate Overbought
- Potential Loss > Potential Gain
- High Debt to Equity Ratio is a concern

- Recommendation
 - **AVOID/SELL**

DISCLAIMER

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