

## Project Assumptions

### 1. Model Parameters

*Except for the growth in potential demand, this is a constant cost model. It is estimated that all inflationary trends in costs and exchange rate fluctuations will be offset by way of making necessary adjustments to the fare.*

Base Case (Constant Cost Assumptions)			
Output Currency	US\$		
	PKR	USD (\$)	
Currency Conversion Rates	60.00	1.00	

### 2. General

Number of Years Projected	30	
Financial Year End	30-Jun	
Number of Work Days per Month	25	*A typical work week is assumed to be Mon-Sat
Number of Weekend/ Public Holidays per Month	5	
Number of Months per Year	12	
Operational Days per Year	300	
Off days	60	
Corporate Tax Rate (Private Limited Company)	35%	

### 3. Revenue Assumptions

#### Ticket Revenue

Fare per Passenger (PKR)*	25	
Fare per Passenger (US\$)	0.42	
Total Number of Stations	17	*as a percentage of daily weekday traffic
Depot	1	
Number of Marshalling Area	1	
Total	2.00	

## **Project Assumptions**

### **Advertising & Sponsorship Revenue**

Annual Revenue per Station (PKR) 2,500,000

Annual Revenue per Station (USD) 41,667

*\*Based on advertising of stations and vehicles at an estimated Rs 2.5 million per station.*

### **Power Consumption**

Average Power Tariff (Rs/ kWh) 5.5

Monthly Power Consumption per Vehicle (kW) 35,000

Annual Power Consumption per Sq. Meter (kW) 0.1728

Annual Power Consumption per station 324,000

Annual Power consumption per Marshalling Area in I 3,888,000

**Insurance (as a % of Project Cost)** 0.75%

**General and Administration** 1,000,000

**O&M Cost** 1,000,000

**Marketing/ Advertising (as % of Revenues)** 1.0%

**Other Expenses** 500,000

## Project Assumptions

### 5. Payroll Assumptions (US\$)

Benefits (as a % of Compensation) 25% \*Includes EOBI, Social Security etc.

	Number of Employees	Daily Shifts	Monthly Salary (Rs)
<b>CEO</b>	1	1	250,000
<b>Systems and Operations</b>			
General Manager Systems	1	1	150,000
Senior Platform Managers	3	1	80,000
Platform Managers	17	2.4	40,000
Platform Vending Machine Helpers	34	2.4	8,000
System Internal Security Personnel	184	2.4	7,000
Platform Helpers	68	2.4	6,000
Platform Security	34	2.4	7,000
Platform Cleaning	34	2.4	4,000
<b>Safety and Technical Support</b>			
GM Safety/Technical	1	1	150,000
AGM Safety/Technical	3	2.4	80,000
Technical /Safety Officers	7	2.4	20,000
Support Staff Safety	5	2.4	8,000
<b>Finance</b>			
GM Finance	1	1	150,000
AGM Finance	2	1	80,000
Finance Officers	5	1	40,000
Support Staff Finance	5	1	10,000
Marshalling Areas Cleaning Staff	10	1	4,000
Marshalling Areas Cleaning Staff-Supervisors	3	1	5,000
<b>Human Resources &amp; Admin</b>			
GM Human Resources	1	1	150,000
AGM Human Resources	1	1	80,000
HR Officers	1	1	50,000
Support Staff HR & Admin	10	1	7,000

## Project Assumptions

### Marketing

GM Marketing	1	1	150,000
Marketing Officers	3	1	50,000
Support Staff Marketing	5	1	7,000

### 6. Working Capital Assumptions (US\$)

Prepaid Expenses and Other Current Assets (% of Operating Expenses)	2%
Spare Parts Inventory (% of Project Cost)	1%
Accounts Receivable (% of Other Income)	3%
Accounts Payable (% of Operating Expenses)	10%
Short-Term Finance (5-Year)	

### 7. Summary Capital Expenditure

	Cost (US\$)	Depreciation (Years)	*Based on estimates from Income Tax Ordinance, updated July 2004
1. Cost of Elevated Bridge and Stations	115,000,000	30	
2. Vehicles and Guide Rail, Sensors and Control	200,000,000	20	
3.Engineering and Development	20,000,000	5	
4. Contingencies	15,000,000		
<b>Total Project Cost</b>	<b>350,000,000</b>		

## Project Assumptions

### Capital Structure

	% of Total	Amount (US\$)	Amount (Rs '000)
Debt	80%	280,000,000	16,800,000
Equity	20%	70,000,000	4,200,000
	100%	350,000,000	21,000,000

### Debt

	% of Total Debt	Amount (US\$)	Amount (Rs '000)
	100%	280,000,000	16,800,000
		-	
	100%	280,000,000	16,800,000

### Discount Rate/ Hurdle Rate

10%

### Debt Parameters

	Foreign	Local (Project Financing)	Local (Capacity Enhancement)
Rate for Short-term Financing	0%	5%	0%
Rate for Long-term Financing	10%	10%	10%
Tenor for Short-term Financing (Years)		4	
Tenor for Long-term Financing (Years)	12	12	8
Grace Period (Years)	2	2	1

### Pre-Operating Interest?

Yes

Yes/ No

### Commitment Fee

0.5%

\*As a percentage of undrawn loan balance

### Country Exposure Fee

1.5%

\*As a percentage of total debt

### Other Processing Charges (US\$)

25,000

### Interest During Construction(US\$)

35,000,000