

# Operations Review

## Consolidated Operating Results

The Group's activities are focused on five core business divisions – ports and related services; property and hotels; retail; energy and infrastructure, finance and investments, and others; and telecommunications.

**P**orts and  
Related Services

**P**roperty and Hotels

**R**etail

**E**nergy and Infrastructure  
Finance and Investments  
Other Operations

**T**elecommunications

The Group reported total revenue, including the Group's share of associated companies' and jointly controlled entities' revenue, of HK\$348,365 million, a 13% increase over 2007. This comprises revenue from the established businesses of HK\$287,993 million, a 16% increase and from the 3 Group of HK\$60,372 million, a 1% increase. Total earnings before interest expense and other finance costs, taxation and minority interest ("EBIT") grew 19% to HK\$44,742 million. EBIT for the Group's established businesses totalled HK\$55,599 million, in line with 2007. LBIT of the 3 Group totalled HK\$10,857 million, a 39% improvement on 2007. The gain in fair value of investment properties in the first half of the year of HK\$824 million (2007 - HK\$1,995 million) and the profit on disposal of investments and others totalled HK\$6,580 million (2007 - HK\$24,638 million).

The profit attributable to shareholders for the year was HK\$17,664 million, 42% lower than last year's amount of HK\$30,600 million as a result of exceptional profits on disposal in 2007. Excluding for both years, the profit on property revaluation, the profits on disposal of investments and others, and a HK\$2,764 million adjustment to deferred tax, the profit attributable to shareholders improved by 429%.

## Financial Performance Summary

	2008 HK\$ millions	2007 HK\$ millions	Change
<b>Total revenue<sup>(1)</sup></b>			
Ports and related services	39,594	37,891	+ 4%
Property and hotels	10,467	9,551	+ 10%
Retail	118,487	110,007	+ 8%
Cheung Kong Infrastructure	19,868	17,251	+ 15%
Husky Energy	63,350	39,781	+ 59%
Finance and Investments	4,303	5,511	- 22%
Hutchison Telecommunications International	24,677	20,779	+ 19%
Others	7,247	8,095	- 10%
<b>3 Group</b>	<b>60,372</b>	<b>59,909</b>	<b>+ 1%</b>
<b>Total</b>	<b>348,365</b>	<b>308,775</b>	<b>+ 13%</b>
<b>EBIT<sup>(1)</sup></b>			
<b><i>Established businesses</i></b>			
Ports and related services	13,236	12,849	+ 3%
Property and hotels	8,087	4,060	+ 99%
Retail	4,374	3,711	+ 18%
Cheung Kong Infrastructure	7,404	7,353	+ 1%
Husky Energy	13,316	10,523	+ 27%
Finance and Investments	6,467	13,944	- 54%
Hutchison Telecommunications International	3,506	3,218	+ 9%
Others	(791)	(93)	- 751%
<b>EBIT of established businesses</b>	<b>55,599</b>	<b>55,565</b>	<b>-</b>
<b><i>3 Group</i></b>			
EBITDA before all CACs	19,337	18,406	+ 5%
Total CACs	(20,392)	(17,211)	- 18%
Capitalised CACs	16,935	11,479	+ 48%
Reported EBITDA	15,880	12,674	+ 25%
Depreciation and amortisation	(26,737)	(30,612)	+ 13%
<b>LBIT of 3 Group</b>	<b>(10,857)</b>	<b>(17,938)</b>	<b>+ 39%</b>
<b>TOTAL EBIT BEFORE THE FOLLOWING</b>	<b>44,742</b>	<b>37,627</b>	<b>+ 19%</b>
Change in fair value of investment properties	824	1,995	- 59%
Profit on disposal of investments and others	6,580	24,638	- 73%
<b>TOTAL EBIT</b>	<b>52,146</b>	<b>64,260</b>	<b>- 19%</b>
Interest expense and other finance costs <sup>(1)</sup>	(20,508)	(22,500)	+ 9%
<b>Profit before tax</b>	<b>31,638</b>	<b>41,760</b>	<b>- 24%</b>
Tax <sup>(1)</sup>			
Current tax	(7,330)	(5,300)	- 38%
Deferred tax	320	(3,230)	+ 110%
<b>Profit after tax</b>	<b>24,628</b>	<b>33,230</b>	<b>- 26%</b>
Minority interests <sup>(1)</sup>	(6,964)	(2,630)	- 165%
<b>Profit attributable to shareholders</b>	<b>17,664</b>	<b>30,600</b>	<b>- 42%</b>

(1) The above information includes the respective items of the Company and its subsidiary companies, as well as the proportionate share of the respective items of the associated companies and jointly controlled entities. See Note 4 to the accounts.