

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 other operations; and telecommunications.



The Group reported total revenue, including the Group's share of associated companies' and jointly controlled entities' revenue, of HK\$325,922 million, an increase of 8% compared to 2009. This comprises total revenue from the established businesses of HK\$261,717 million, an 8% increase, and from the 3 Group of HK\$64,205 million, an 11% increase. Total earnings before interest expense and finance costs, taxation and non-controlling interests ("EBIT") before property valuation and profits on disposal of investments, increased 50% to HK\$42,140 million. EBIT for the Group's established businesses totalled HK\$39,209 million, a 6% increase. EBIT of the 3 Group reached a milestone of first year positive results totalling HK\$2,931 million, a 133% turnaround from the LBIT of HK\$8,922 million in 2009. The Group's results include a profit on investment properties revaluation of HK\$4,198 million (2009 – HK\$1,663 million). There were no profits on disposal of investments in 2010 (2009 – HK\$12,472 million).

The profit attributable to shareholders for the year was HK\$20,038 million, a 47% increase compared to last year's restated profit of HK\$13,631 million.

Financial Performance Summary

	2010 HK\$ millions	Restated ⁽¹⁾ 2009 HK\$ millions	Change
Total revenue ⁽²⁾			
Ports and related services	37,728	33,427	+ 13%
Property and hotels	16,159	13,912	+ 16%
Retail	123,177	116,098	+ 6%
Cheung Kong Infrastructure	18,265	14,980	+ 22%
Husky Energy	45,213	35,808	+ 26%
Finance and Investments	1,867	2,515	- 26%
Hutchison Telecommunications Hong Kong Holdings	9,880	8,449	+ 17%
Hutchison Asia Telecommunications	2,486	1,855	+ 34%
Telecommunications - Israel operations	-	9,890	N/A
Others	6,942	6,025	+ 15%
3 Group	64,205	57,590	+ 11%
Total	325,922	300,549	+ 8%
Established businesses			
Ports and related services	11,610	10,406	+ 12%
Property and hotels	8,994	6,430	+ 40%
Retail	7,866	5,692	+ 38%
Cheung Kong Infrastructure	8,454	6,905	+ 22%
Husky Energy	3,073	3,246	- 5%
Finance and Investments	1,152	4,079	- 72%
Hutchison Telecommunications Hong Kong Holdings	1,090	692	+ 58%
Hutchison Asia Telecommunications	(2,688)	(2,681)	-
Telecommunications - Israel operations	-	2,482	N/A
Others	(342)	(145)	- 136%
EBIT of established businesses	39,209	37,106	+ 6%
EBIT / (LBIT) of the 3 Group	2,931	(8,922)	+ 133%
Total EBIT before the following:	42,140	28,184	+ 50%
Change in fair value of investment properties			
- Share of joint venture's profit on revaluation of investment properties	2,407	-	N/A
- Other non-cash profit on revaluation of investment properties	1,791	1,663	+ 8%
	4,198	1,663	+ 152%
Profits on disposals of investments	-	12,472	N/A
Total EBIT	46,338	42,319	+ 9%
Interest expenses and finance costs ⁽²⁾	(12,306)	(13,025)	+ 6%
Profit before tax	34,032	29,294	+ 16%
Tax ⁽²⁾			
Current tax	(5,508)	(9,453)	+ 42%
Deferred tax credit / (charge)	(2,946)	1,359	- 317%
Profit after tax	25,578	21,200	+ 21%
Non-controlling interests and perpetual capital securities holders interests ⁽²⁾	(5,540)	(7,569)	+ 27%
Profit attributable to ordinary shareholders	20,038	13,631	+ 47%

(1) The Group has adopted Husky Energy's new accounting policy in 2010 with retrospective effect and as a result the comparative information has been restated. See Note 1(c) to the accounts.

(2) The above information includes the Company, its subsidiary companies and its proportionate share of associated companies' and jointly controlled entities' respective items. See Note 5 to the accounts.