

CK Hutchison Group Telecom Finance S.A.

CK HUTCHISON GROUP TELECOM FINANCE S.A.

(incorporated with limited liability under the laws of the Grand Duchy of Luxembourg)

7, rue du Marché-aux-Herbes

L-1728 Luxembourg

RCS Luxembourg: B236170

(the “Issuer”)

**€1,000,000,000 0.750% Guaranteed Notes due 2026
(ISIN XS2057069093/Common Code 205706909)**

**€1,000,000,000 1.125% Guaranteed Notes due 2028
(ISIN XS2057069762/Common Code 205706976)**

**€750,000,000 1.500% Guaranteed Notes due 2031
(ISIN XS2057070182/Common Code 205707018)**

**£500,000,000 2.000% Guaranteed Notes due 2027
(ISIN XS2057072121/Common Code 205707212)**

and

**£300,000,000 2.625% Guaranteed Notes due 2034
(ISIN XS2057072477/Common Code 205707247)**

in each case

unconditionally and irrevocably guaranteed by

CK HUTCHISON GROUP TELECOM HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(the “Guarantor”)

In accordance with Regulation (EU) No. 596/2014 on market abuse and the law of 11 January 2008 on transparency requirements, as amended, the Issuer is filing with the *Commission de Surveillance du Secteur Financier* and storing with the Officially Appointed Mechanism the attached unaudited results for the six months ended 30 June 2024 of the Guarantor.

CK Hutchison Group Telecom Finance S.A.

Edith Shih
Director

15 August 2024

CK Hutchison Group Telecom Finance S.A.
Société Anonyme

Registered office: 7, rue du Marché-aux-Herbes, L-1728 Luxembourg,
Grand Duchy of Luxembourg
Tel +352 2626 8126 Fax +352 2626 8181
www.ckh.com.hk

RCS Luxembourg: B236170
Share Capital: EUR 30,000

Unaudited Results for the six months ended 30 June 2024

Highlights

	Post-IFRS 16 ⁽¹⁾ Basis		
	For the six months ended 30 June 2024 EUR million	For the six months ended 30 June 2023 EUR million	Reported currency change
Total Revenue ⁽²⁾	5,071	4,917	+3%
Total EBITDA ⁽²⁾	1,788	1,611	+11%
Total EBIT ⁽²⁾	256	139	+84%
Profit attributable to ordinary shareholders	110	89	+24%

	Pre-IFRS 16 ⁽¹⁾ Basis			
	For the six months ended 30 June 2024 EUR million	For the six months ended 30 June 2023 EUR million	Local currencies change	Reported currency change
Total Revenue ⁽²⁾	5,071	4,917	+2%	+3%
Total EBITDA ⁽²⁾	1,387	1,218	+13%	+14%
Total EBIT ⁽²⁾	215	79	+179%	+172%
Profit attributable to ordinary shareholders	108	67	+71%	+61%

Note 1: The Group believes that the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a International Financial Reporting Standard 16 "Leases" basis ("Post-IFRS16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases. Unless otherwise specified, the discussion of the Group's operating results in this results announcement is on a Pre-IFRS 16 basis as mentioned above.

Note 2: Total revenue, EBITDA and EBIT include the Group's proportionate share of joint ventures' respective items.

Management Discussion and Analysis

CK Hutchison Group Telecom

In million	30 June 2024 EUR	30 June 2023 EUR	Change	Local currencies change
Total Revenue	5,071	4,917	+3%	+2%
Total Margin	3,692	3,562	+4%	+3%
Total CACs	(898)	(848)	-6%	
Less: Handset revenue	661	611	+8%	
Total CACs (net of handset revenue)	(237)	(237)	-	
Operating Expenses	(2,068)	(2,107)	+2%	
EBITDA ⁽¹⁾	1,387	1,218	+14%	+13%
Depreciation & Amortisation	(1,172)	(1,139)	-3%	
EBIT ⁽¹⁾	215	79	+172%	+179%

Note 1: Under Post-IFRS 16 basis, EBITDA was €1,788 million (30 June 2023: €1,611 million); EBIT was €256 million (30 June 2023: €139 million).

On a Pre-IFRS 16 basis, revenue of CK Hutchison Group Telecom ("CKHGT") of €5,071 million was 3% higher than the same period last year. EBITDA and EBIT of €1,387 million and €215 million were 14% and 172% higher than the same period last year respectively, primarily due to better underlying performance of the 3 Group Europe operations and favourable year-on-year variance of €62 million arising from the foreign currency revaluation impact of certain monetary assets.

On a Pre-IFRS 16 basis, profit attributable to ordinary shareholders for the six months ended 30 June 2024 of €108 million increased 61% from the same period in 2023, primarily reflecting the aforementioned higher EBIT contribution, partly offset by higher interest expenses and tax charges.

On a Post-IFRS 16 basis, EBITDA, EBIT and profit attributable to ordinary shareholders increased by 11%, 84% and 24% respectively when compared to the first half of 2023.

In March 2024, the competition authorities in the UK have decided that the UK telecom merger will be referred for a Phase 2 review and have recently published a notice to extend the statutory deadline by another 8 weeks, with the final decision date being postponed to 7 December 2024. In July 2024, the Italian telecom operation completed the acquisition of OpNet, a wholesale fixed-wireless-access provider, which will increase Wind Tre's spectrum holdings to deliver network capacity enhancement.

3 Group Europe

In million	30 June 2024 EUR	30 June 2023 EUR	Change	Local currencies change
Total Revenue	4,716	4,563	+3%	+3%
Total Margin	3,441	3,320	+4%	+3%
Total CACs	(871)	(820)	-6%	
Less: Handset revenue	647	594	+9%	
Total CACs (net of handset revenue)	(224)	(226)	+1%	
Operating Expenses	(1,912)	(1,886)	-1%	
<i>Opex as a % of total margin</i>	56%	57%		
EBITDA ⁽³⁾	1,305	1,208	+8%	+8%
<i>EBITDA Margin %</i> ⁽²⁾	32%	30%		
Depreciation & Amortisation	(1,105)	(1,073)	-3%	
EBIT ⁽³⁾	200	135	+48%	+50%

Note 2: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 3: Under Post-IFRS 16 basis, EBITDA was €1,682 million (30 June 2023: €1,577 million); EBIT was €240 million (30 June 2023: €194 million).

3 Group Europe's total revenue and total margin of €4,716 million and €3,441 million respectively were both 3% higher against the same period last year in local currencies, primarily driven by the healthy growth in net customer service revenue due to an increase in the customer base and upside from revenue initiatives, coupled with higher roaming income from increased travelling of the European customers, as well as higher MVNO and other wholesale contribution for all operations.

Active customer base as at 30 June 2024 of 40.5 million was 1% higher against the same period last year. Average monthly customer churn rate of the contract customer base remained stable at 1.2% for the first half of 2024 (1H 2023: 1.2%). 3 Group Europe's net ARPU was €12.76, flat as compared to the first half of 2023, as the favourable impact from revenue initiatives were offset by lower incoming mobile termination revenue due to year-on-year reduction in EU-wide interconnection rates and dilutive impact of higher mix of low margin Internet of things (IoT) customers in Ireland. Nevertheless, 3 Group Europe's net AMPU increased by 1% to €11.65, primarily reflecting the revenue initiatives upside on net customer service margin, as the reduction in mobile termination revenue impact as mentioned was nullified by the corresponding decrease in interconnection cost.

Majority of 3 Group Europe operations reported higher net customer service margin driven by inflation-linked adjustment embedded in customer contracts or annual adjustment executed in first half of 2024, coupled with full six-month impact from the favourable revenue initiatives implemented in last year. In addition, UK and Ireland continued to increase their active customer base in business and Fixed Wireless Access segments, while Sweden and Denmark reported growth in the contract base with steady contribution delivered by their second brands. Italy and Austria's active customer base was lower, reflecting Italy's customer value management initiatives, as well as keen competition and voluntary churn due to tariff adjustment in Austria, which more than offset the favourable revenue initiatives upside on their net customer service margin. Other margin grew across all the operations due to the improvement in MVNO performance and expansion of revenue streams beyond traditional service offerings. Overall, these resulted in a 3% total margin growth.

3 Group Europe's EBITDA and EBIT was 8% and 50% higher year-on-year in local currencies, primarily due to the improvements in overall total margin as mentioned, coupled with relatively stable operating expenses, as various cost initiatives and stabilising but elevated energy cost mostly offset higher network costs from the expanded networks, particularly in the UK. Depreciation and amortisation increased slightly by 2% in local currencies due to enlarged network asset base across the footprint.

Management Discussion and Analysis

In million	UK GBP		Italy ⁽⁴⁾ EURO		Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe EURO		HTHKH HK\$		Corporate and Others ⁽⁸⁾ HK\$		CKHGT EURO		
	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	
Total Revenue	1,335	1,227	1,853	1,898	3,980	3,777	1,217	1,213	478	466	309	298	4,716	4,563	2,058	2,328	941	682	5,071	4,917	
<i>% change</i>	+9%		-2%		+5%		-		+3%		+4%		+3%		-12%		+38%		+3%		
											<i>Local currencies change %</i>		+3%								
Total margin	879	808	1,438	1,469	2,685	2,545	1,032	977	361	343	238	228	3,441	3,320	1,653	1,655	466	398	3,692	3,562	
<i>% change</i>	+9%		-2%		+6%		+6%		+5%		+4%		+4%		-		+17%		+4%		
											<i>Local currencies change %</i>		+3%								
Total CACs	(474)	(447)	(156)	(133)	(393)	(458)	(129)	(154)	(69)	(74)	(42)	(40)	(871)	(820)	(226)	(235)	-	-	(898)	(848)	
Less: Handset Revenue	356	323	110	90	195	261	37	60	60	67	41	37	647	594	117	139	-	-	661	611	
Total CACs (net of handset revenue)	(118)	(124)	(46)	(43)	(198)	(197)	(92)	(94)	(9)	(7)	(1)	(3)	(224)	(226)	(109)	(96)	-	-	(237)	(237)	
Operating Expenses	(548)	(521)	(742)	(778)	(1,226)	(1,165)	(583)	(589)	(183)	(176)	(159)	(155)	(1,912)	(1,886)	(925)	(945)	(396)	(1,253)	(2,068)	(2,107)	
<i>Opex as a % of total margin</i>	62%	64%	52%	53%	46%	46%	56%	60%	51%	51%	67%	68%	56%	57%	56%	57%	N/A	N/A	56%	59%	
EBITDA	213	163	650	648	1,261	1,183	357	294	169	160	78	70	1,305	1,208	619	614	70	(855)	1,387	1,218	
<i>% change</i>	+31%		-		+7%		+21%		+6%		+11%		+8%		+1%		+108%		+14%		
											<i>Local currencies change %</i>		+8%								
<i>EBITDA margin % ⁽⁶⁾</i>	22%	18%	37%	36%	33%	34%	30%	25%	40%	40%	29%	27%	32%	30%	32%	28%	N/A	N/A	31%	28%	
Depreciation & Amortisation	(243)	(239)	(552)	(542)	(900)	(876)	(281)	(242)	(85)	(81)	(67)	(67)	(1,105)	(1,073)	(559)	(565)	(1)	(2)	(1,172)	(1,139)	
EBIT	(30)	(76)	98	106	361	307	76	52	84	79	11	3	200	135	60	49	69	(857)	215	79	
<i>% change</i>	+61%		-8%		+18%		+46%		+6%		+267%		+48%		+22%		+108%		+172%		
											<i>Local currencies change %</i>		+50%								
Capex (excluding licence)	(230)	(275)	(298)	(284)	(873)	(796)	(152)	(196)	(112)	(84)	(43)	(47)	(819)	(827)	(166)	(163)	-	(1)	(839)	(846)	
Comparable Depreciation & Amortisation ⁽⁶⁾	(202)	(206)	(407)	(411)	(551)	(516)	(211)	(175)	(59)	(56)	(49)	(45)	(828)	(817)	(266)	(260)	(1)	(2)	(860)	(847)	
Comparable Depreciation & Amortisation ⁽⁶⁾ less Capex	(28)	(69)	109	127	(322)	(280)	59	(21)	(53)	(28)	6	(2)	9	(10)	100	97	1	1	21	1	
Reported EBITDA less Capex	(17)	(112)	352	364	388	387	205	98	57	76	35	23	486	381	453	451	70	(856)	548	372	
Licence ⁽⁷⁾	-	-	-	-	-	-	-	-	(7)	-	-	(120)	(7)	(120)	-	-	-	-	(7)	(120)	
EURO dollar equivalents of Reported EBITDA and EBIT are summarised as follows:																					
<i>EBITDA-pre IFRS 16 basis (EURO)</i>	249	186	650	648	111	105	48	39	169	160	78	70	1,305	1,208	74	72	8	(62)	1,387	1,218	
<i>EBITDA-post IFRS 16 basis (EURO)</i>	298	234	924	918	126	118	55	46	184	174	95	87	1,682	1,577	98	96	8	(62)	1,788	1,611	
<i>EBIT-pre IFRS 16 basis (EURO)</i>	(35)	(87)	98	106	32	27	10	7	84	79	11	3	200	135	7	6	8	(62)	215	79	
<i>EBIT-post IFRS 16 basis (EURO)</i>	(28)	(77)	124	149	33	28	11	8	87	81	13	5	240	194	8	7	8	(62)	256	139	

	UK		Italy		Sweden		Denmark		Austria		Ireland		3 Group Europe		HTHKH	
	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
Total registered customer base (million)	12.0	13.4	19.0	19.6	2.7	2.5	1.6	1.6	3.1	3.1	4.7	4.1	43.1	44.3	5.2	3.9
Total active customer base (million)	10.9	10.6	17.8	18.3	2.7	2.5	1.6	1.6	2.8	2.8	4.7	4.1	40.5	39.9	4.3	3.4
Contract customers as a % of the total registered customer base	78%	67%	50%	49%	70%	70%	55%	56%	78%	77%	82%	79%	65%	60%	28%	38%
Average monthly churn rate of the total contract registered customer base (%)	1.5%	1.4%	1.3%	1.5%	1.2%	1.2%	1.8%	1.9%	0.4%	0.5%	0.4%	0.4%	1.2%	1.2%	1.0%	0.9%
Active contract customers as a % of the total contract registered customer base	99%	98%	96%	96%	100%	100%	100%	100%	99%	100%	100%	100%	98%	98%	100%	100%
Active customers as a % of the total registered customer base	91%	79%	94%	93%	100%	100%	100%	100%	90%	90%	100%	100%	94%	90%	82%	87%
LTE coverage by population (%)	96%	96%	100%	100%	99%	98%	100%	100%	99%	97%	99%	99%	-	-	99%	99%
Six month data usage per active customer (Gigabyte)													159.6	136.3	123.1	95.6

Note 4: Wind Tre's results include fixed line business revenue of €523 million (30 June 2023: €506 million) and EBITDA of €102 million (30 June 2023: €110 million).

Note 5: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue)

Note 6: Comparable Depreciation & Amortisation excludes amortisation of licences, amortisation of capitalised CACs, amortisation of customer relationship intangibles, as well as share of joint venture's depreciation of Wind Tre and HTHKH. The comparatives were restated to conform with the 2024 definition.

Note 7: 1H 2024 licence cost for Austria represents investment for 600 MHz of 26 GHz spectrum acquired in March 2024. 1H 2023 licence cost for Ireland represents investment for 20 MHz of 700 MHz spectrum, 40 MHz of 2100 MHz spectrum and 70 MHz of 2600 MHz spectrum acquired in January 2023.

Note 8: 1H 2023 results include an exchange reserve charge of HK\$0.3 billion recycled to the income statement upon partial disposal of a subsidiary which became a joint venture. As CKHGT's presentation currency is in EURO, the exchange reserve recycling is reversed.

Key Business Indicators

	Registered Customer Base								
	Registered Customers at 30 June 2024 ('000)			Registered Customer Growth (%) from 31 December 2023 to 30 June 2024			Registered Customer Growth (%) from 30 June 2023 to 30 June 2024		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	2,695	9,303	11,998	-21%	+2%	-5%	-39%	+5%	-10%
Italy ⁽⁹⁾	9,548	9,468	19,016	-3%	-1%	-2%	-5%	-1%	-3%
Sweden	793	1,888	2,681	+3%	+3%	+3%	+4%	+7%	+6%
Denmark	728	901	1,629	+3%	+2%	+2%	+6%	+2%	+4%
Austria	691	2,400	3,091	-4%	-1%	-1%	-6%	–	-2%
Ireland	846	3,842	4,688	–	+7%	+5%	–	+17%	+13%
3 Group Europe Total	15,301	27,802	43,103	-6%	+1%	-1%	-13%	+4%	-3%
HTHKH	3,770	1,444	5,214	+18%	-1%	+12%	+55%	-2%	+34%

	Active ⁽¹⁰⁾ Customer Base								
	Active Customers at 30 June 2024 ('000)			Active Customer Growth (%) from 31 December 2023 to 30 June 2024			Active Customer Growth (%) from 30 June 2023 to 30 June 2024		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	1,675	9,222	10,897	+8%	+2%	+3%	-7%	+5%	+3%
Italy ⁽⁹⁾	8,730	9,120	17,850	-3%	–	-1%	-5%	–	-3%
Sweden	789	1,888	2,677	+3%	+3%	+3%	+4%	+7%	+6%
Denmark	726	901	1,627	+3%	+2%	+2%	+6%	+2%	+4%
Austria	389	2,386	2,775	-2%	-1%	-1%	-8%	-1%	-2%
Ireland	846	3,842	4,688	–	+7%	+5%	–	+17%	+13%
3 Group Europe Total	13,155	27,359	40,514	–	+2%	+1%	-4%	+4%	+1%
HTHKH	2,827	1,444	4,271	+13%	-1%	+8%	+46%	-2%	+25%

Note 9: In addition to the above, Wind Tre has 2.9 million fixed line customers.

Note 10: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Management Discussion and Analysis

12-month Trailing Average Revenue per Active User ("ARPU") ⁽¹¹⁾ to 30 June 2024

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2023
United Kingdom	£6.08	£19.67	£17.57	-6%
Italy	€9.34	€12.79	€11.08	+1%
Sweden	SEK123.41	SEK235.03	SEK201.95	-4%
Denmark	DKK93.91	DKK138.63	DKK118.81	-2%
Austria	€9.10	€23.52	€21.42	+1%
Ireland	€14.45	€8.60	€9.72	-14%
3 Group Europe Average	€9.63	€17.29	€14.75	-3%
HTHKH	HK\$14.14	HK\$183.37	HK\$77.21	-20%

12-month Trailing Net Average Revenue per Active User ("Net ARPU") ⁽¹²⁾ to 30 June 2024

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2023
United Kingdom	£6.08	£14.84	£13.49	+2%
Italy	€9.34	€12.00	€10.68	+1%
Sweden	SEK123.41	SEK209.53	SEK184.01	-
Denmark	DKK93.91	DKK130.89	DKK114.50	-2%
Austria	€9.10	€19.27	€17.79	-2%
Ireland	€14.45	€6.66	€8.15	-14%
3 Group Europe Average	€9.63	€14.31	€12.76	-
HTHKH	HK\$14.14	HK\$167.68	HK\$71.36	-20%

12-month Trailing Net Average Margin per Active User ("Net AMPU") ⁽¹³⁾ to 30 June 2024

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2023
United Kingdom	£5.54	£13.41	£12.20	+3%
Italy	€8.63	€11.18	€9.92	+3%
Sweden	SEK107.58	SEK185.64	SEK162.51	+1%
Denmark	DKK82.40	DKK112.89	DKK99.37	+1%
Austria	€8.30	€17.87	€16.48	-
Ireland	€13.40	€6.13	€7.52	-13%
3 Group Europe Average	€8.82	€13.06	€11.65	+1%
HTHKH	HK\$10.84	HK\$148.80	HK\$62.26	-17%

Note 11: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the period.

Note 12: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the period.

Note 13: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the period.

Management Discussion and Analysis

United Kingdom

3 UK's EBITDA and EBIT grew by 31% and 61% in local currency respectively compared to the same period last year, primarily driven by a 9% increase in total margin from an increase in the customer base, coupled with growth in the wholesale business including bulk SMS, partly offset by higher operating costs from an enlarged network and costs inflation.

Italy

Wind Tre's EBITDA was flat against the same period last year in local currency, mainly driven by lower operating expenses from stringent cost control measures, as well as new revenue stream growth such as cybersecurity, energy and insurance products, mostly offset by lower net customer service margin from lower customer base. Encouragingly, the continued reduction in wholesale margin in the past years has largely abated. Despite a stable operating performance, EBIT decreased by 8% compared to the first half of 2023 in local currency mainly due to higher depreciation and amortisation from the enlarged asset base, as well as increase in Fixed Wireless Access related investments for increased take up.

Sweden

Sweden, where the Group has a 60% interest, reported 6% increase in total margin compared to the same period last year primarily from customer base growth. EBITDA and EBIT grew by 7% and 18% respectively in local currency driven by higher total margin, partly offset by higher operating costs incurred from the enlarged network base and increased staff costs. Beside the extensive 5G TDD coverage in ten of the country's largest cities, the high speed 5G coverage is extended to further 25 cities and towns in 2024.

Denmark

The operation in Denmark, where the Group has a 60% interest, reported 6% growth in total margin primarily driven by 4% customer base growth and lower national roaming costs. EBITDA and EBIT increased by 21% and 46% respectively in local currency mainly due to higher total margin and lower electricity costs, partly offset by higher operating costs from enlarged network base. Despite of the lower loss from network asset swap during the period, depreciation increased as a result of the network expansion and increase in 5G customer-premises equipment take up. Denmark has reached approximately 90% 5G coverage with TDD coverage close to 60% of overall population.

Austria

3 Austria's EBITDA grew by 6% in local currency compared to the same period last year, mainly driven by 5% increase in total margin from robust MVNO performance, partly offset by higher operating expenses associated with the enlarged network base and increased staff costs. EBIT in local currency increased by 6% driven by higher EBITDA as mentioned, partly offset by increased depreciation from the enlarged asset base amid ongoing 5G network rollout. During the period, Austria enhanced its 5G coverage, with FDD and TDD coverage reaching over 90% and 65% respectively.

Ireland

Total margin grew by 4% against the same period last year driven by the base growth, partly offset by the lower net AMPU from the dilutive impact of higher mix of low margin IoT customers despite the upside from revenue initiatives. EBITDA and EBIT in local currency increased by 11% and 267% respectively compared to the same period last year reflecting better total margin, which more than offset higher operating expenses due to one-off redundancy provision recognised in this half. In the first half of 2024, 3 Ireland has reached over 90% 5G coverage.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK\$2,058 million was 12% lower compared to the same period last year, as the growth in roaming services revenue fuelled by the resurgence in global travel was more than offset by lower hardware revenue and reduced local service revenue primarily from shifts in consumer spending patterns. Despite the lower revenue, total margin remained stable due to favourable margin mix. EBITDA of HK\$619 million was 1% higher as compared to the same period last year, primarily attributable to the stringent cost containment, partly offset by higher CACs. EBIT of HK\$60 million was 22% higher as compared to the first half of 2023 also reflected the reduced depreciation and amortisation costs.

Management Discussion and Analysis

Capital Expenditure and Licences

EUR million	1H 2024			Total
	Fixed assets	Telecommunications licences	Brand names and other rights	
United Kingdom	270	–	–	270
Italy	209	–	89	298
Sweden	76	–	–	76
Denmark	20	–	–	20
Austria	112	7	–	119
Ireland	43	–	–	43
Hong Kong	20	–	–	20
Corporate and others	–	–	–	–
Total	750	7	89	846

EUR million	1H 2023			Total
	Fixed assets	Telecommunications licences	Brand names and other rights	
United Kingdom	315	–	–	315
Italy	209	–	75	284
Sweden	71	–	–	71
Denmark	26	–	–	26
Austria	84	–	–	84
Ireland	47	120	–	167
Hong Kong	19	–	–	19
Corporate and others	–	–	–	–
Total	771	120	75	966

For the first half of 2024, the Group's capital expenditure, excluding licences, of €839 million decreased by 1% or €7 million compared to the first half of 2023, primarily due to measured reduction in investment from tight management of capital spending. Capex, excluding licences, as a percentage of total revenue was 17% in 1H 2024 (1H 2023: 17%).

The spectrum spending of €7 million in the first half of 2024 represented investment for 600 MHz of 26 GHz spectrum in Austria acquired in March 2024. The spectrum spending of €120 million in the first half of 2023 represented investment for 20 MHz of 700 MHz spectrum, 40 MHz of 2100 MHz spectrum and 70 MHz of 2600 MHz in Ireland acquired in January 2023.

CK Hutchison Group Telecom

Financial Performance Summary

	Post-IFRS 16 Unaudited Results for the six months ended 30 June 2024 EUR million	Post-IFRS 16 Unaudited Results for the six months ended 30 June 2023 EUR million	Change %
Total Revenue ⁽¹⁾			
3 Group Europe	4,716	4,563	+3%
- UK	1,564	1,404	+11%
- Italy	1,853	1,898	-2%
- Sweden	349	334	+4%
- Denmark	163	163	-
- Austria	478	466	+3%
- Ireland	309	298	+4%
Hong Kong	243	274	-11%
Corporate and others	112	80	+40%
Total Revenue	5,071	4,917	+3%
EBITDA ⁽¹⁾			
3 Group Europe	1,682	1,577	+7%
- UK	298	234	+27%
- Italy	924	918	+1%
- Sweden	126	118	+7%
- Denmark	55	46	+20%
- Austria	184	174	+6%
- Ireland	95	87	+9%
Hong Kong	98	96	+2%
Corporate and others	8	(62)	+113%
Total EBITDA	1,788	1,611	+11%
EBIT ⁽¹⁾			
3 Group Europe	240	194	+24%
- UK	(28)	(77)	+64%
- Italy	124	149	-17%
- Sweden	33	28	+18%
- Denmark	11	8	+38%
- Austria	87	81	+7%
- Ireland	13	5	+160%
Hong Kong	8	7	+14%
Corporate and others	8	(62)	+113%
Total EBIT	256	139	+84%
Interest expenses and other finance costs ⁽¹⁾	(147)	(108)	-36%
Profit Before Tax	109	31	+252%
Tax ⁽¹⁾			
Current tax	35	31	+13%
Deferred tax	(27)	33	-182%
	8	64	-88%
Profit after tax	117	95	+23%
Non-controlling interests	(7)	(6)	-17%
Profit attributable to ordinary shareholders ("NPAT")	110	89	+24%

Note 1: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of joint ventures' respective items.

CK Hutchison Group Telecom

Financial Performance Summary

	Pre-IFRS 16 ⁽¹⁾ Unaudited Results for the six months ended 30 June 2024 EUR million	Pre-IFRS 16 ⁽¹⁾ Unaudited Results for the six months ended 30 June 2023 EUR million	Change %	Local currencies change %
Total Revenue ⁽²⁾				
3 Group Europe	4,716	4,563	+3%	+3%
- UK	1,564	1,404	+11%	+9%
- Italy	1,853	1,898	-2%	-2%
- Sweden	349	334	+4%	+5%
- Denmark	163	163	-	-
- Austria	478	466	+3%	+3%
- Ireland	309	298	+4%	+4%
Hong Kong	243	274	-11%	-12%
Corporate and others	112	80	+40%	+38%
Total Revenue	5,071	4,917	+3%	+2%
EBITDA ⁽²⁾				
3 Group Europe	1,305	1,208	+8%	+8%
- UK	249	186	+34%	+31%
- Italy	650	648	-	-
- Sweden	111	105	+6%	+7%
- Denmark	48	39	+23%	+21%
- Austria	169	160	+6%	+6%
- Ireland	78	70	+11%	+11%
Hong Kong	74	72	+3%	+1%
Corporate and others	8	(62)	+113%	+113%
Total EBITDA	1,387	1,218	+14%	+13%
EBIT ⁽²⁾				
3 Group Europe	200	135	+48%	+50%
- UK	(35)	(87)	+60%	+61%
- Italy	98	106	-8%	-8%
- Sweden	32	27	+19%	+18%
- Denmark	10	7	+43%	+46%
- Austria	84	79	+6%	+6%
- Ireland	11	3	+267%	+267%
Hong Kong	7	6	+17%	+22%
Corporate and others	8	(62)	+113%	+113%
Total EBIT	215	79	+172%	+179%
Interest expenses and other finance costs ⁽²⁾	(109)	(70)	-56%	
Profit Before Tax	106	9	+1078%	
Tax ⁽²⁾				
Current tax	35	30	+17%	
Deferred tax	(26)	34	-176%	
	9	64	-86%	
Profit after tax	115	73	+58%	
Non-controlling interests	(7)	(6)	-17%	
Profit attributable to ordinary shareholders ("NPAT")	108	67	+61%	

Note 1: The Group believes that the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a International Financial Reporting Standard 16 "Leases" basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases. Unless otherwise specified, the discussion of the Group's operating results in this results announcement is on a Pre-IFRS 16 basis as mentioned above.

Note 2: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of joint ventures' respective items.

Report on Review of Interim Financial Statements

**TO THE BOARD OF DIRECTORS OF
CK HUTCHISON GROUP TELECOM HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial statements set out on pages 12 to 53, which comprises the condensed consolidated statement of financial position of CK Hutchison Group Telecom Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2024 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The directors of the Company are responsible for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 August 2024

CK Hutchison Group Telecom Holdings Limited
Condensed Consolidated Income Statement
for the six months ended 30 June 2024

		Unaudited	
		2024	2023
	Note	EUR million	EUR million
Revenue	4	5,062	4,908
Cost of inventories sold	6	(111)	(132)
Expensed customer acquisition and retention costs		(876)	(820)
Staff costs		(392)	(355)
Depreciation and amortisation	6	(1,503)	(1,449)
Other expenses and losses	6	(1,928)	(2,027)
Other income and gains	6	-	9
Share of profits less losses of joint ventures		3	2
		255	136
Interest expenses and other finance costs	7	(146)	(107)
Profit before tax		109	29
Current tax credit	8	36	33
Deferred tax credit (charge)	8	(28)	33
Profit after tax		117	95
Profit attributable to non-controlling interests		(7)	(6)
Profit attributable to owners of the Company		110	89

CK Hutchison Group Telecom Holdings Limited
Condensed Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2024

	Unaudited	
	2024	2023
	EUR million	EUR million
Profit after tax	117	95
Other comprehensive income (losses)		
Items that will not be reclassified to profit or loss		
Changes in fair value of equity instruments at fair value through other comprehensive income	(42)	63
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	-	-
	(42)	63
Items that may be reclassified to profit or loss		
Exchange gains on translation of foreign operations	242	4
Losses on cash flow hedges	(2)	(44)
Losses on net investment hedges	-	(25)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	-	-
	240	(65)
Other comprehensive income (losses), net of tax	198	(2)
Total comprehensive income	315	93
Total comprehensive losses (income) attributable to non-controlling interests	(15)	45
Total comprehensive income attributable to owners of the Company	300	138

CK Hutchison Group Telecom Holdings Limited
Condensed Consolidated Statement of Financial Position
at 30 June 2024

	Note	Unaudited 30 June 2024 EUR million	Audited 31 December 2023 EUR million
Non-current assets			
Fixed assets	9	7,659	7,496
Right-of-use assets	10	1,882	1,945
Telecommunications licences	11	7,487	7,451
Brand names and other rights	12	3,390	3,509
Goodwill	13	9,865	9,849
Interests in joint ventures	14	319	318
Deferred tax assets	15	1,981	1,969
Listed investments	16	501	973
Other non-current assets	17	1,611	1,608
		34,695	35,118
Current assets			
Cash and cash equivalents	18	3,542	2,539
Inventories		209	171
Trade receivables and other current assets	19	2,804	2,955
		6,555	5,665
Current liabilities			
Bank and other debts	20	1,366	1,497
Interest bearing loan from non-controlling shareholder	23	240	-
Current tax liabilities		215	195
Lease liabilities	10	503	587
Trade payables and other current liabilities	21	3,710	3,944
		6,034	6,223
Net current assets (liabilities)		521	(558)
Total assets less current liabilities		35,216	34,560
Non-current liabilities			
Bank and other debts	20	4,679	4,021
Interest bearing loan from non-controlling shareholder	23	-	242
Lease liabilities	10	1,254	1,293
Deferred tax liabilities	15	276	273
Pension obligations	24	67	67
Other non-current liabilities	25	1,384	1,413
		7,660	7,309
Net assets		27,556	27,251

CK Hutchison Group Telecom Holdings Limited
Condensed Consolidated Statement of Financial Position
at 30 June 2024

	Note	Unaudited 30 June 2024 EUR million	Audited 31 December 2023 EUR million
Capital and reserves			
Share capital	26	-	-
Share premium	26	17,908	17,908
Reserves	27	8,491	8,191
<hr/>			
Equity attributable to owners of the Company		26,399	26,099
Non-controlling interests		1,157	1,152
<hr/>			
Total equity		27,556	27,251

CK Hutchison Group Telecom Holdings Limited
Condensed Consolidated Statement of Changes in Equity
for the six months ended 30 June 2024

	Attributable to				Unaudited Total equity EUR million
	Owners of the Company			Non- controlling interests EUR million	
	Share capital and share premium * EUR million	Reserves @ EUR million	Subtotal EUR million		
At 1 January 2024	17,908	8,191	26,099	1,152	27,251
Profit for the period	-	110	110	7	117
Other comprehensive income (losses)					
Changes in fair value of equity instruments at fair value through other comprehensive income	-	(42)	(42)	-	(42)
Exchange gains on translation of foreign operations	-	234	234	8	242
Losses on cash flow hedges	-	(2)	(2)	-	(2)
Tax relating to components of other comprehensive income (losses)	-	-	-	-	-
Other comprehensive income, net of tax	-	190	190	8	198
Total comprehensive income	-	300	300	15	315
Transactions with owners in their capacity as owners:					
Dividends paid to non-controlling interests	-	-	-	(10)	(10)
At 30 June 2024	17,908	8,491	26,399	1,157	27,556

* See note 26.

@ See note 27.

During the six months ended 30 June 2024, no dividend has been paid or declared payable to the ordinary shareholders.

CK Hutchison Group Telecom Holdings Limited
Condensed Consolidated Statement of Changes in Equity
for the six months ended 30 June 2024

	Attributable to				Unaudited Total equity EUR million
	Owners of the Company			Non- controlling interests EUR million	
	Share capital and share premium * EUR million	Reserves @ EUR million	Subtotal EUR million		
At 1 January 2023	17,908	7,896	25,804	1,170	26,974
Profit for the period	-	89	89	6	95
Other comprehensive income (losses)					
Changes in fair value of equity instruments at fair value through other comprehensive income	-	63	63	-	63
Exchange gains (losses) on translation of foreign operations	-	54	54	(50)	4
Losses on cash flow hedges	-	(43)	(43)	(1)	(44)
Losses on net investment hedges	-	(25)	(25)	-	(25)
Tax relating to components of other comprehensive income (losses)	-	-	-	-	-
Other comprehensive income (losses), net of tax	-	49	49	(51)	(2)
Total comprehensive income (losses)	-	138	138	(45)	93
Transactions with owners in their capacity as owners:					
Dividends paid to non-controlling interests	-	-	-	(10)	(10)
Recognition of put option liabilities arising from business combinations	-	(17)	(17)	-	(17)
Relating to purchase of a subsidiary company	-	-	-	1	1
At 30 June 2023	17,908	8,017	25,925	1,116	27,041

* See note 26.

@ See note 27.

During the six months ended 30 June 2023, no dividend has been paid or declared payable to the ordinary shareholders.

CK Hutchison Group Telecom Holdings Limited
Condensed Consolidated Statement of Cash Flows
for the six months ended 30 June 2024

	Note	Unaudited 2024 EUR million	2023 EUR million
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	28 (a)	1,529	1,330
Interest expenses and other finance costs paid (net of capitalisation)		(133)	(93)
Tax recovered		64	33
Funds from operations (before principal elements of lease payments)		1,460	1,270
Changes in working capital	28 (b)	(67)	(615)
Net cash from operating activities		1,393	655
Investing activities			
Purchase of fixed assets	9	(738)	(752)
Additions to telecommunications licences	11	(7)	(120)
Additions to brand names and other rights	12	(89)	(75)
Purchase of subsidiary companies, net of cash acquired	28 (c)	-	(9)
Purchase of and advances to joint ventures		(5)	(4)
Proceeds from disposal of fixed assets		1	1
Proceeds from disposal of a subsidiary company	28 (d)	-	303
Cash flows used in investing activities before disposal of listed investments		(838)	(656)
Disposal of listed investments		365	-
Cash flows used in investing activities		(473)	(656)
Net cash inflow (outflow) before financing activities		920	(1)
Financing activities			
New borrowings	28 (e)	1,000	-
Repayment of borrowings	28 (e)	(500)	-
Principal elements of lease payments	28 (e)	(407)	(368)
Dividends paid to non-controlling interests		(10)	(10)
Cash flows from (used in) financing activities		83	(378)
Increase (decrease) in cash and cash equivalents		1,003	(379)
Cash and cash equivalents at 1 January		2,539	3,600
Cash and cash equivalents at 30 June		3,542	3,221
Analysis of cash and listed investments at 30 June			
Cash and cash equivalents, as above	18	3,542	3,221
Listed investments	16	501	1,198
Total cash and listed investments		4,043	4,419
Total principal amount of bank and other debts	20	6,067	6,530
Interest bearing loan from non-controlling shareholder	23	240	206
Net debt		2,264	2,317
Interest bearing loan from non-controlling shareholder		(240)	(206)
Net debt (excluding interest bearing loan from non-controlling shareholder)		2,024	2,111

CK Hutchison Group Telecom Holdings Limited

Notes to the Interim Financial Statements

1 General information

CK Hutchison Group Telecom Holdings Limited (the “Company” or “CKHGT”) is a limited liability company incorporated in the Cayman Islands and is an indirect wholly owned subsidiary of CK Hutchison Holdings Limited (“CKHH”), which is a limited company incorporated in the Cayman Islands and whose shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The interim condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) as at and for the six months ended 30 June 2024 (the “Interim Financial Statements”) were authorised for issue by the Company’s board of directors on 15 August 2024.

The Operations Review, issued as part of CKHGT 2024 Interim Results announcement, includes discussions and analysis of the performance of the Group’s businesses for the current period and other important events that occurred since the end of the 2023 financial year.

2 Use of judgements, assumptions and estimates

In preparing the Interim Financial Statements, the Group has made accounting related estimates based on judgements and assumptions about current and, for some estimates, future economic and market conditions that the Group considers are relevant and reasonable. It is reasonably possible that actual achievements, results, performances or other future events or conditions could differ from those on which the estimates are based. This could result in materially different estimates, judgements and assumptions from those used for the purposes of the Interim Financial Statements. Hence, our accounting estimates, judgements and assumptions could change over time in response to how these events and conditions develop.

The significant judgements, assumptions and estimates made in preparing the Interim Financial Statements were the same as those described in the Group’s annual consolidated financial statements as at and for the year ended 31 December 2023 (the “2023 Annual Financial Statements”).

3 Basis of preparation

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”), issued by the International Accounting Standards Board (“IASB”). They are regarded as “Condensed” as per IAS 34 as they do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. They should be read in conjunction with the 2023 Annual Financial Statements.

The Interim Financial Statements have been prepared on a historical cost basis, except that defined benefit plans plan assets, and certain financial assets and liabilities (including derivative instruments) are measured at fair value. The Interim Financial Statements are prepared on a going concern basis, as Management is satisfied that the Group has the ability to continue as a going concern. In making this assessment, Management has assessed the potential cash generation, the liquidity of the Group and existing funding available to the Group. On the basis of these assessments, Management has determined that, at the date on which the Interim Financial Statements were authorised for issue, the use of the going concern basis of accounting to prepare the Interim Financial Statements is appropriate.

The accompanying financial statements and notes are unaudited. The results reported in the Interim Financial Statements should not be regarded as necessarily indicative of results that may be expected for the entire year.

4 Revenue

(a) An analysis of revenue of the Company and subsidiary companies is as follows:

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Sale of goods	773	736
Revenue from services	4,222	4,115
Interest	67	57
	5,062	4,908

(b) Further details are set out below in respect of revenue of the Company and subsidiary companies, including the disaggregation of revenue from contracts with customers within the scope of IFRS 15:

	Six months ended 30 June 2024				
	Revenue from contracts with customers			Revenue from other sources	
	recognised at a point in time	recognised over time	Subtotal	Total	
	EUR million	EUR million	EUR million	EUR million	EUR million
3 Group Europe	738	3,977	4,715	-	4,715
UK	425	1,139	1,564	-	1,564
Italy	109	1,744	1,853	-	1,853
Sweden	87	262	349	-	349
Denmark	7	155	162	-	162
Austria	68	410	478	-	478
Ireland	42	267	309	-	309
Hutchison Telecommunications Hong Kong Holdings	35	208	243	-	243
Corporate and Others	-	37	37	67	104
	773	4,222	4,995	67	5,062
	Six months ended 30 June 2023				
	Revenue from contracts with customers			Revenue from other sources	
	recognised at a point in time	recognised over time	Subtotal	Total	
	EUR million	EUR million	EUR million	EUR million	EUR million
3 Group Europe	673	3,890	4,563	-	4,563
UK	376	1,028	1,404	-	1,404
Italy	90	1,808	1,898	-	1,898
Sweden	83	251	334	-	334
Denmark	12	151	163	-	163
Austria	73	393	466	-	466
Ireland	39	259	298	-	298
Hutchison Telecommunications Hong Kong Holdings	63	211	274	-	274
Corporate and Others	-	14	14	57	71
	736	4,115	4,851	57	4,908

See note 5 for operating segment information.

4 Revenue (continued)

(c) Contract balances related to contracts with customers within the scope of IFRS 15

Under IFRS 15, a contract asset or a contract liability is generated when either party to the contract performs, depending on the relationship between the entity's performance and the customer's payment. When an entity satisfies a performance obligation by transferring a promised goods or service, the entity has earned a right to consideration from the customer and, therefore, has a contract asset. When the customer performs first, for example, by prepaying its promised consideration, the entity has a contract liability. Generally, contract assets may represent conditional or unconditional rights to consideration. The right would be conditional, for example, when an entity is required first to satisfy another performance obligation in the contract before it is entitled to payment from the customer. If an entity has an unconditional right to receive consideration from the customer, the contract asset is classified as and accounted for as a receivable and presented separately from other contract assets. A right is unconditional if nothing other than the passage of time is required before payment of that consideration is due.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers within the scope of IFRS 15.

	30 June 2024	31 December 2023
	EUR million	EUR million
Trade receivables, which are included in "Trade receivables and other current assets" (see note 19)	1,071	1,202
Contract assets (see notes 17 and 19)	824	876
Contract liabilities (see note 21)	(415)	(453)

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. For the six months ended 30 June 2024, EUR41 million (30 June 2023: EUR34 million) was recognised in the consolidated income statement as provision for expected credit losses on trade receivables.

Contract assets primarily relate to the Group's rights to consideration for delivered services and devices but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. For the six months ended 30 June 2024, EUR66 million (30 June 2023: EUR45 million) was recognised in the consolidated income statement as provision for expected credit losses on contract assets.

Contract liabilities primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. On fulfilment of its obligations, the contract liability is recognised in revenue in the period when the performance obligations are fulfilled. EUR396 million (30 June 2023: EUR186 million) was recognised as revenue for the six months ended 30 June 2024 that was included in the contract liability balance at the beginning of the year.

5 Operating segment information

(a) Description of segments and basis of presentation of segment information

CKHGT is a geographically diverse telecommunications operator in six European markets, and Hong Kong and Macau of the People's Republic of China. The Group's telecom's operations in Europe ("3 Group Europe") launched commercial operations in 2003 and comprise mobile telecommunications businesses in the UK, Italy, Sweden, Denmark, Austria and Ireland, offering mobile telecommunications services. The Group's telecom's operations in Hong Kong have operated telecom networks for over 30 years and comprise an approximately 66.09% interest in Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), which is listed on the Stock Exchange. HTHKH is a mobile telecommunications operator that provides services in Hong Kong and Macau of the People's Republic of China under the "3" brand.

The Group's most senior executive management (the Chief Operating Decision Maker as defined in IFRS 8) monitors the operating results of these businesses separately for the purpose of making decisions about resource allocation and performance assessment. Segment information sets out in this note is organised into operations in Europe under 3 Group Europe (with separate sub-totals for the telecom's operation in each of the six European markets mentioned above) and in Hong Kong and Macau of the People's Republic of China under Hutchison Telecommunications Hong Kong Holdings. Accordingly, no separate analysis by geographical location is provided in this note.

In addition, Corporate and Others is presented in the segment information below to reconcile to the totals included in the Group's consolidated income statement and consolidated statement of financial position, which covers the activities of other areas of the Group that are not presented separately, and includes centralised procurement, corporate head office operations and the returns earned on the Group's holdings of cash and liquid investments.

5 Operating segment information (continued)

(a) Description of segments and basis of presentation of segment information (continued)

The Group has adopted IFRS 16 “Leases” accounting standard (which relates to accounting for leases) for its statutory reporting but its management reporting has remained on the precedent lease accounting standard International Accounting Standard 17 “Leases” (“IAS 17”). The Group believes that the IAS 17 basis metrics (“Pre-IFRS 16 basis”), which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis (“Post-IFRS 16 basis”), better reflect management’s view of the Group’s underlying operational performances. Pre-IFRS 16 basis metrics financial information is regularly reviewed by the Group’s most senior executive management.

Segment information sets out below is presented, except where indicated otherwise, on a Pre-IFRS 16 basis together with reconciliations to the total under the Post-IFRS 16 basis. Section (c) of this note includes reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics for the Group’s consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flows for the current and comparative periods, and the Group’s consolidated statement of financial position as at 30 June 2024 and 31 December 2023.

Saved as disclosed in the notes below, the column headed as Company and Subsidiaries refers to the holding company of the Group and subsidiary companies’ respective items and the column headed as JV refers to the Group’s share of joint ventures’ respective items.

(b) Segment results, assets and liabilities

(i) An analysis of revenue by segments

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments.

	Revenue							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Company and Subsidiaries EUR million	JV EUR million	Total EUR million	%	Company and Subsidiaries EUR million	JV EUR million	Total EUR million	%
3 Group Europe	4,715	1	4,716	93%	4,563	-	4,563	92%
UK	1,564	-	1,564	31%	1,404	-	1,404	29%
Italy	1,853	-	1,853	37%	1,898	-	1,898	38%
Sweden	349	-	349	7%	334	-	334	7%
Denmark	162	1	163	3%	163	-	163	3%
Austria	478	-	478	9%	466	-	466	9%
Ireland	309	-	309	6%	298	-	298	6%
Hutchison Telecommunications Hong Kong Holdings	243	-	243	5%	274	-	274	6%
Corporate and Others	104	8	112	2%	71	9	80	2%
	5,062	9	5,071	100%	4,908	9	4,917	100%
IFRS 16 impact	-	-	-		-	-	-	
	5,062	9	5,071		4,908	9	4,917	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

The Group uses two measures of segment results, EBITDA (see note 5(b)(viii)) and EBIT (see note 5(b)(ix)). Analyses of segment results by EBITDA and EBIT are set out in (ii) and (iii) below.

(ii) An analysis of EBITDA by segments

	EBITDA (LBITDA) ^(viii)							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Company and Subsidiaries	JV	Total		Company and Subsidiaries	JV	Total	%
	EUR million	EUR million	EUR million	%	EUR million	EUR million	EUR million	%
3 Group Europe	1,280	25	1,305	94%	1,190	18	1,208	99%
UK	249	-	249	18%	186	-	186	15%
Italy	625	25	650	47%	630	18	648	53%
Sweden	111	-	111	8%	105	-	105	9%
Denmark	48	-	48	3%	39	-	39	3%
Austria	169	-	169	12%	160	-	160	13%
Ireland	78	-	78	6%	70	-	70	6%
Hutchison Telecommunications Hong Kong Holdings	70	4	74	5%	68	4	72	6%
Corporate and Others	10	(2)	8	1%	(62)	-	(62)	-5%
EBITDA[^]	1,360[^]	27[^]	1,387[^]	100%	1,196 [^]	22 [^]	1,218 [^]	100%
Depreciation and amortisation	(1,150)	(22)	(1,172)		(1,121)	(18)	(1,139)	
Interest expenses and other finance costs	(108)	(1)	(109)		(69)	(1)	(70)	
Current tax	36	(1)	35		32	(2)	30	
Deferred tax	(27)	1	(26)		34	-	34	
Non-controlling interests	(7)	-	(7)		(6)	-	(6)	
	104	4	108		66	1	67	
IFRS 16 impact								
EBITDA [^]	395 [^]	6 [^]	401 [^]		387 [^]	6 [^]	393 [^]	
Depreciation and amortisation	(353)	(7)	(360)		(328)	(5)	(333)	
Interest expenses and other finance costs	(38)	-	(38)		(38)	-	(38)	
Current tax	-	-	-		1	-	1	
Deferred tax	(1)	-	(1)		(1)	-	(1)	
	107	3	110		87	2	89	
[^] Reconciliation to Post-IFRS 16 basis EBITDA:								
Pre-IFRS 16 basis EBITDA per above	1,360	27	1,387		1,196	22	1,218	
IFRS 16 impact per above	395	6	401		387	6	393	
Post-IFRS 16 basis EBITDA (see note 28(a)(i))	1,755	33	1,788		1,583	28	1,611	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iii) An analysis of EBIT by segments

	EBIT (LBIT) ^(ix)							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Company and Subsidiaries EUR million	JV EUR million	Total EUR million	%	Company and Subsidiaries EUR million	JV EUR million	Total EUR million	%
3 Group Europe								
EBITDA before the following non-cash items:	1,280	25	1,305		1,190	18	1,208	
Depreciation	(659)	(19)	(678)		(640)	(15)	(655)	
Amortisation of licence fees, other rights, customer acquisition and retention costs	(427)	-	(427)		(418)	-	(418)	
EBIT - 3 Group Europe	194	6	200	93%	132	3	135	171%
UK	(35)	-	(35)	-16%	(87)	-	(87)	-110%
Italy	92	6	98	45%	103	3	106	134%
Sweden	32	-	32	15%	27	-	27	34%
Denmark	10	-	10	5%	7	-	7	9%
Austria	84	-	84	39%	79	-	79	100%
Ireland	11	-	11	5%	3	-	3	4%
Hutchison Telecommunications Hong Kong Holdings	6	1	7	3%	5	1	6	7%
Corporate and Others	10	(2)	8	4%	(62)	-	(62)	-78%
EBIT [^]	210 [^]	5 [^]	215 [^]	100%	75 [^]	4 [^]	79 [^]	100%
Interest expenses and other finance costs	(108)	(1)	(109)		(69)	(1)	(70)	
Current tax	36	(1)	35		32	(2)	30	
Deferred tax	(27)	1	(26)		34	-	34	
Non-controlling interests	(7)	-	(7)		(6)	-	(6)	
	104	4	108		66	1	67	
IFRS 16 impact								
EBIT [^]	42 [^]	(1) [^]	41 [^]		59 [^]	1 [^]	60 [^]	
Interest expenses and other finance costs	(38)	-	(38)		(38)	-	(38)	
Current tax	-	-	-		1	-	1	
Deferred tax	(1)	-	(1)		(1)	-	(1)	
	107	3	110		87	2	89	
[^] Reconciliation to Post-IFRS 16 basis EBIT:								
Pre-IFRS 16 basis EBIT per above	210	5	215		75	4	79	
IFRS 16 impact per above	42	(1)	41		59	1	60	
Post-IFRS 16 basis EBIT	252	4	256		134	5	139	

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(iv) An analysis of depreciation and amortisation expenses by segments

	Depreciation and amortisation					
	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Company and Subsidiaries EUR million	JV EUR million	Total EUR million	Company and Subsidiaries EUR million	JV EUR million	Total EUR million
3 Group Europe	1,086	19	1,105	1,058	15	1,073
UK	284	-	284	273	-	273
Italy	533	19	552	527	15	542
Sweden	79	-	79	78	-	78
Denmark	38	-	38	32	-	32
Austria	85	-	85	81	-	81
Ireland	67	-	67	67	-	67
Hutchison Telecommunications						
Hong Kong Holdings	64	3	67	63	3	66
Corporate and Others	-	-	-	-	-	-
	1,150	22	1,172	1,121	18	1,139
IFRS 16 impact	353	7	360	328	5	333
	1,503	29	1,532	1,449	23	1,472

(v) An analysis of capital expenditure by segments

	Capital expenditure ^(xiii)							
	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Fixed assets EUR million	Telecom- munications licences EUR million	Brand names and other rights EUR million	Total EUR million	Fixed assets EUR million	Telecom- munications licences EUR million	Brand names and other rights EUR million	Total EUR million
3 Group Europe	730	7	89	826	752	120	75	947
UK	270	-	-	270	315	-	-	315
Italy	209	-	89	298	209	-	75	284
Sweden	76	-	-	76	71	-	-	71
Denmark	20	-	-	20	26	-	-	26
Austria	112	7	-	119	84	-	-	84
Ireland	43	-	-	43	47	120	-	167
Hutchison Telecommunications								
Hong Kong Holdings	20	-	-	20	19	-	-	19
Corporate and Others	-	-	-	-	-	-	-	-
	750	7	89	846	771	120	75	966
IFRS 16 impact	(12)	-	-	(12)	(19)	-	-	(19)
	738	7	89	834	752	120	75	947

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

(vi) An analysis of total assets by segments

	30 June 2024	31 December 2023
	EUR million	EUR million
Segment assets ^(xi)		
3 Group Europe	31,856	31,922
UK	8,106	7,834
Italy	17,011	17,270
Sweden	2,062	2,066
Denmark	493	544
Austria	2,421	2,432
Ireland	1,763	1,776
Hutchison Telecommunications Hong Kong Holdings	1,847	1,829
Corporate and Others	3,715	3,132
	37,418	36,883
IFRS 16 impact on segment assets	1,532	1,613
Interests in joint ventures	319	318
Deferred tax assets	1,981	1,969
	41,250	40,783

(vii) An analysis of total liabilities by segments

	30 June 2024	31 December 2023
	EUR million	EUR million
Segment liabilities ^(xi)		
3 Group Europe	3,588	3,817
UK	845	846
Italy	2,118	2,298
Sweden	139	173
Denmark	64	66
Austria	261	257
Ireland	161	177
Hutchison Telecommunications Hong Kong Holdings	210	213
Corporate and Others	100	128
	3,898	4,158
IFRS 16 impact on segment liabilities	1,636	1,733
Current and non-current borrowings ^(xii) and other non-current liabilities	7,669	7,173
Current and deferred tax liabilities	491	468
	13,694	13,532

5 Operating segment information (continued)

(b) Segment results, assets and liabilities (continued)

- (viii) EBITDA (LBITDA) represents the EBITDA (LBITDA) of the Company and subsidiary companies as well as the Group's share of the EBITDA (LBITDA) of joint ventures. EBITDA (LBITDA) is defined as earnings (losses) before interest expenses and other finance costs, tax, depreciation and amortisation. Information concerning EBITDA (LBITDA) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA (LBITDA) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA (LBITDA) is therefore presented as a measure of segment results in accordance with IFRS 8. EBITDA (LBITDA) is not a measure of cash liquidity or financial performance under IFRS and the EBITDA (LBITDA) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA (LBITDA) should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with IFRS Accounting Standards.
- (ix) EBIT (LBIT) represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of joint ventures. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment results in accordance with IFRS 8. EBIT (LBIT) is not a measure of financial performance under IFRS and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with IFRS Accounting Standards.
- (x) The geographical location of customers is based on the location at which the services were provided or goods delivered.
- (xi) Segment assets and segment liabilities

Segment assets are assets other than deferred tax assets and interests in joint ventures.

Segment liabilities are liabilities other than bank and other debts, interest bearing loan from non-controlling shareholder, tax liabilities (including deferred tax liabilities) and other non-current liabilities.

See note 5(b)(vi) and 5(b)(vii) for reconciliation of segment assets and segment liabilities from Pre-IFRS 16 basis to Post-IFRS 16 basis.

Geographical analysis of the Group's non-current assets (based on Post-IFRS 16 basis) other than financial instruments, deferred tax assets and post-employment benefit assets is as follows:

	30 June 2024	31 December 2023
	EUR million	EUR million
Hong Kong and Macau, the People's Republic of China	1,295	1,294
UK	7,759	7,536
Italy	16,578	16,760
Sweden	1,976	1,994
Denmark	513	542
Austria	2,291	2,247
Ireland	1,766	1,777
Others	-	1
	32,178	32,151

The geographical location of these specified non-current assets is based on the physical location of the asset (for fixed assets, right-of-use assets and other operating assets), the location of the operation in which they are allocated (for intangible assets and goodwill), and the location of operations (for interests in joint ventures).

- (xii) Current and non-current borrowings comprise bank and other debts and interest bearing loan from non-controlling shareholder.
- (xiii) For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

5 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics

(i) Consolidated Income Statement

	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Pre-IFRS 16 basis EUR million	Effect on adoption of IFRS 16 EUR million	Post-IFRS 16 basis EUR million	Pre-IFRS 16 basis EUR million	Effect on adoption of IFRS 16 EUR million	Post-IFRS 16 basis EUR million
Revenue	5,062	-	5,062	4,908	-	4,908
Cost of inventories sold	(111)	-	(111)	(132)	-	(132)
Expensed customer acquisition and retention costs	(898)	22	(876)	(843)	23	(820)
Staff costs	(392)	-	(392)	(355)	-	(355)
Depreciation and amortisation	(1,150)	(353)	(1,503)	(1,121)	(328)	(1,449)
Other expenses and losses	(2,301)	373	(1,928)	(2,391)	364	(2,027)
Other income and gains	-	-	-	9	-	9
Share of profits less losses of joint ventures	4	(1)	3	1	1	2
	214	41	255	76	60	136
Interest expenses and other finance costs	(108)	(38)	(146)	(69)	(38)	(107)
Profit before tax	106	3	109	7	22	29
Current tax credit	36	-	36	32	1	33
Deferred tax credit (charge)	(27)	(1)	(28)	34	(1)	33
Profit after tax	115	2	117	73	22	95
Profit attributable to non-controlling interests	(7)	-	(7)	(6)	-	(6)
Profit attributable to owners of the Company	108	2	110	67	22	89

5 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(ii) Consolidated Statement of Comprehensive Income

	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Pre-IFRS 16 basis EUR million	Effect on adoption of IFRS 16 EUR million	Post-IFRS 16 basis EUR million	Pre-IFRS 16 basis EUR million	Effect on adoption of IFRS 16 EUR million	Post-IFRS 16 basis EUR million
Profit after tax	115	2	117	73	22	95
Other comprehensive income (losses)						
Items that will not be reclassified to profit or loss						
Changes in fair value of equity instruments at fair value through other comprehensive income	(42)	-	(42)	63	-	63
Tax relating to components of other comprehensive income (losses) that will not be reclassified to profit or loss	-	-	-	-	-	-
	(42)	-	(42)	63	-	63
Items that may be reclassified to profit or loss						
Exchange gains on translation of foreign operations	244	(2)	242	(1)	5	4
Losses on cash flow hedges	(2)	-	(2)	(44)	-	(44)
Losses on net investment hedges	-	-	-	(25)	-	(25)
Tax relating to components of other comprehensive income (losses) that may be reclassified to profit or loss	-	-	-	-	-	-
	242	(2)	240	(70)	5	(65)
Other comprehensive income (losses), net of tax	200	(2)	198	(7)	5	(2)
Total comprehensive income	315	-	315	66	27	93
Total comprehensive losses (income) attributable to non-controlling interests	(15)	-	(15)	45	-	45
Total comprehensive income attributable to owners of the Company	300	-	300	111	27	138

5 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iii) Consolidated Statement of Financial Position

	30 June 2024			31 December 2023		
	Pre-IFRS 16 basis EUR million	Effect on adoption of IFRS 16 EUR million	Post-IFRS 16 basis EUR million	Pre-IFRS 16 basis EUR million	Effect on adoption of IFRS 16 EUR million	Post-IFRS 16 basis EUR million
Non-current assets						
Fixed assets	7,839	(180)	7,659	7,668	(172)	7,496
Right-of-use assets	-	1,882	1,882	-	1,945	1,945
Telecommunications licences	7,487	-	7,487	7,451	-	7,451
Brand names and other rights	3,390	-	3,390	3,509	-	3,509
Goodwill	9,865	-	9,865	9,849	-	9,849
Interests in joint ventures	320	(1)	319	318	-	318
Deferred tax assets	1,969	12	1,981	1,955	14	1,969
Listed investments	501	-	501	973	-	973
Other non-current assets	1,609	2	1,611	1,601	7	1,608
	32,980	1,715	34,695	33,324	1,794	35,118
Current assets						
Cash and cash equivalents	3,542	-	3,542	2,539	-	2,539
Inventories	209	-	209	171	-	171
Trade receivables and other current assets	2,976	(172)	2,804	3,122	(167)	2,955
	6,727	(172)	6,555	5,832	(167)	5,665
Current liabilities						
Bank and other debts	1,417	(51)	1,366	1,548	(51)	1,497
Interest bearing loan from non-controlling shareholder	240	-	240	-	-	-
Current tax liabilities	221	(6)	215	201	(6)	195
Lease liabilities	-	503	503	-	587	587
Trade payables and other current liabilities	3,831	(121)	3,710	4,091	(147)	3,944
	5,709	325	6,034	5,840	383	6,223
Net current assets (liabilities)	1,018	(497)	521	(8)	(550)	(558)
Total assets less current liabilities	33,998	1,218	35,216	33,316	1,244	34,560
Non-current liabilities						
Bank and other debts	4,750	(71)	4,679	4,105	(84)	4,021
Interest bearing loan from non-controlling shareholder	-	-	-	242	-	242
Lease liabilities	-	1,254	1,254	-	1,293	1,293
Deferred tax liabilities	276	-	276	273	-	273
Pension obligations	67	-	67	67	-	67
Other non-current liabilities	1,384	-	1,384	1,413	-	1,413
	6,477	1,183	7,660	6,100	1,209	7,309
Net assets	27,521	35	27,556	27,216	35	27,251
Capital and reserves						
Share capital	-	-	-	-	-	-
Share premium	17,908	-	17,908	17,908	-	17,908
Reserves	8,454	37	8,491	8,154	37	8,191
Equity attributable to owners of the Company	26,362	37	26,399	26,062	37	26,099
Non-controlling interests	1,159	(2)	1,157	1,154	(2)	1,152
Total equity	27,521	35	27,556	27,216	35	27,251

5 Operating segment information (continued)

(c) Reconciliation from Pre-IFRS 16 basis metrics to Post-IFRS 16 basis metrics (continued)

(iv) Consolidated Statement of Cash Flows

	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Pre-IFRS 16 basis EUR million	Effect on adoption of IFRS 16 EUR million	Post-IFRS 16 basis EUR million	Pre-IFRS 16 basis EUR million	Effect on adoption of IFRS 16 EUR million	Post-IFRS 16 basis EUR million
	(A)		(B)	(A)		(B)
Operating activities						
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	1,140	389	1,529	953	377	1,330
Interest expenses and other finance costs paid (net of capitalisation)	(95)	(38)	(133)	(55)	(38)	(93)
Tax recovered	64	-	64	33	-	33
Funds from operations (Funds from operations under (B) is before principal elements of lease payments)	1,109	351	1,460	931	339	1,270
Changes in working capital	(95)	28	(67)	(628)	13	(615)
Net cash from operating activities	1,014	379	1,393	303	352	655
Investing activities						
Purchase of fixed assets	(750)	12	(738)	(771)	19	(752)
Additions to telecommunications licences	(7)	-	(7)	(120)	-	(120)
Additions to brand names and other rights	(89)	-	(89)	(75)	-	(75)
Purchase of subsidiary companies, net of cash acquired	-	-	-	(9)	-	(9)
Purchase of and advances to joint ventures	(5)	-	(5)	(4)	-	(4)
Proceeds from disposal of fixed assets	1	-	1	1	-	1
Proceeds from disposal of a subsidiary company	-	-	-	303	-	303
Cash flows used in investing activities before disposal of listed investments	(850)	12	(838)	(675)	19	(656)
Disposal of listed investments	365	-	365	-	-	-
Cash flows used in investing activities	(485)	12	(473)	(675)	19	(656)
Net cash inflow (outflow) before financing activities	529	391	920	(372)	371	(1)
Financing activities						
New borrowings	1,011	(11)	1,000	19	(19)	-
Repayment of borrowings	(527)	27	(500)	(16)	16	-
Principal elements of lease payments	-	(407)	(407)	-	(368)	(368)
Dividends paid to non-controlling interests	(10)	-	(10)	(10)	-	(10)
Cash flows from (used in) financing activities	474	(391)	83	(7)	(371)	(378)
Increase (decrease) in cash and cash equivalents	1,003	-	1,003	(379)	-	(379)
Cash and cash equivalents at 1 January	2,539	-	2,539	3,600	-	3,600
Cash and cash equivalents at 30 June	3,542	-	3,542	3,221	-	3,221
Analysis of cash and listed investments at 30 June						
Cash and cash equivalents, as above	3,542	-	3,542	3,221	-	3,221
Listed investments	501	-	501	1,198	-	1,198
Total cash and listed investments	4,043	-	4,043	4,419	-	4,419
Total principal amount of bank and other debts	6,189	(122)	6,067	6,657	(127)	6,530
Interest bearing loan from non-controlling shareholder	240	-	240	206	-	206
Net debt	2,386	(122)	2,264	2,444	(127)	2,317
Interest bearing loan from non-controlling shareholder	(240)	-	(240)	(206)	-	(206)
Net debt (excluding interest bearing loan from non-controlling shareholder)	2,146	(122)	2,024	2,238	(127)	2,111

6 Presentation of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains

This note provides additional details in respect of cost of goods sold, depreciation and amortisation, other expenses and losses and other income and gains.

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Cost of goods sold:		
included in “cost of inventories sold”	111	132
included in “expensed customer acquisition and retention costs”	522	508
	633	640
Depreciation and amortisation:		
Fixed assets (see note 9)	677	660
Right-of-use assets (see note 10(b))	367	338
Telecommunications licences (see note 11)	52	56
Brand names and other rights (see note 12)	182	184
Customer acquisition and retention costs (see note 17(a))	225	211
	1,503	1,449
Other expenses and losses:		
Cost of providing services ^(a)	1,279	1,247
Office and general administrative expenses and others	447	561
Advertising and promotion expenses	130	146
Expenses for short-term and low-value assets leases (see note 10(b))	27	30
Legal and professional fees	45	43
	1,928	2,027
Other income and gains:		
Gain on disposal of a subsidiary (see note 28(d))	-	(9)

- (a) Cost of providing services of EUR1,279 million (30 June 2023: EUR1,247 million) includes telecommunication network related costs of EUR1,119 million (30 June 2023: EUR1,100 million) and repair and maintenance of EUR160 million (30 June 2023: EUR147 million).

7 Interest expenses and other finance costs

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Bank loans and overdrafts	61	22
Notes and bonds	20	23
Interest bearing loan from non-controlling shareholder	6	4
Other finance costs	4	4
Amortisation of loan facilities fees and premiums or discounts relating to debts	3	4
Notional interest accretions	10	10
	104	67
Interest on lease liabilities (see note 10(b))	42	40
	146	107

8 Tax

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Current tax credit		
Europe	(36)	(33)
Deferred tax charge (credit)		
Europe	25	(36)
Outside Europe	3	3
	28	(33)
	(8)	(66)

The corporate income tax has been provided for at the rate applicable in the jurisdiction concerned on the estimated assessable profits less estimated available tax losses.

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. While Hong Kong has yet to introduce its draft legislation for implementation of the Pillar Two Model Rules, including the tax law that implements the global minimum tax and qualified domestic minimum top-up tax, it is expected that the new regime will come into effect for the Group's financial year beginning on 1 January 2025. For other jurisdictions where the Group has operations and Pillar Two legislation has come into effect as of 1 January 2024, based on the assessment for the period ended 30 June 2024, the Group does not expect to have any Pillar Two exposure (including current tax) arising in these jurisdictions. Overall, based on the assessment for the period ended 30 June 2024 and the information currently available, the impact of these rules on the Group's income tax position is not expected to be material.

9 Fixed assets

	Land and buildings EUR million	Telecom- munications network assets EUR million	Other assets EUR million	Total EUR million
At 31 December 2023				
Cost	141	9,147	4,382	13,670
Accumulated depreciation and impairment	(97)	(4,398)	(1,679)	(6,174)
	44	4,749	2,703	7,496
Six months ended 30 June 2024				
Opening net book value	44	4,749	2,703	7,496
Additions	-	124	614	738
Disposals	-	(3)	(2)	(5)
Depreciation charge for the period	(6)	(483)	(188)	(677)
Transfer between categories	8	421	(429)	-
Exchange translation differences	-	18	89	107
Closing net book value	46	4,826	2,787	7,659
At 30 June 2024				
Cost	152	9,750	4,686	14,588
Accumulated depreciation and impairment	(106)	(4,924)	(1,899)	(6,929)
	46	4,826	2,787	7,659

10 Leases

(a) Group as a lessee - amounts recognised in the consolidated statement of financial position

	30 June 2024 EUR million	31 December 2023 EUR million
Right-of-use assets		
Retail stores	134	134
Telecommunications network infrastructure sites	1,575	1,640
Other assets	173	171
	1,882	1,945
Lease liabilities		
Current	503	587
Non-current	1,254	1,293
	1,757	1,880

During the six months ended 30 June 2024, the Group entered into new lease agreements. For these new leases, the Group is required to make fixed monthly payments. On leases that commenced during the six months ended 30 June 2024, the Group has recognised EUR152 million (30 June 2023: EUR517 million) of right-of-use assets and EUR151 million (30 June 2023: EUR517 million) of lease liabilities.

10 Leases (continued)

(b) Group as a lessee - amounts recognised in the consolidated income statement

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Expenses relating to short-term leases (included in "Other expenses and losses")	2	2
Expenses relating to leases of low-value assets that are not short term leases (included in "Other expenses and losses")	25	28
	27	30
Depreciation charge of right-of-use assets (included in "Depreciation and amortisation")	367	338
Interest on lease liabilities (included in "Interest expenses and other finance costs")	42	40
	436	408

11 Telecommunications licences

	EUR million
At 31 December 2023	
Cost	8,249
Accumulated amortisation and impairment	(798)
	7,451
Six months ended 30 June 2024	
Opening net book value	7,451
Additions	7
Amortisation for the period	(52)
Exchange translation differences	81
	7,487
Closing net book value	7,487
At 30 June 2024	
Cost	8,344
Accumulated amortisation and impairment	(857)
	7,487

The Group's telecommunications licences in the UK and Italy with a carrying value of EUR2,377 million and EUR3,919 million respectively (31 December 2023: EUR2,310 million and EUR3,919 million respectively) are considered to have an indefinite useful life. As at 30 June 2024, these telecommunications licences have been allocated to the operations in the UK and Italy, respectively.

12 Brand names and other rights

	Brand names EUR million	Other rights EUR million	Total EUR million
At 31 December 2023			
Cost	2,106	3,416	5,522
Accumulated amortisation	-	(2,013)	(2,013)
	2,106	1,403	3,509
Six months ended 30 June 2024			
Opening net book value	2,106	1,403	3,509
Additions	-	89	89
Amortisation for the period	-	(182)	(182)
Exchange translation differences	15	(41)	(26)
Closing net book value	2,121	1,269	3,390
At 30 June 2024			
Cost	2,121	3,466	5,587
Accumulated amortisation	-	(2,197)	(2,197)
	2,121	1,269	3,390

Brand names are considered to have an indefinite useful life are not subject to amortisation. The carrying value of brand names with indefinite useful life at 30 June 2024 has been mainly allocated to the operation in Italy of approximately EUR844 million (31 December 2023: EUR844 million), the operation in UK of approximately EUR587 million (31 December 2023: EUR571 million) and the operation in Austria of approximately EUR286 million (31 December 2023: EUR286 million).

Other rights, primarily include operating and service content rights, and customer lists. These rights are amortised over their finite useful lives. At 30 June 2024, the carrying value of these rights amounted to EUR825million (31 December 2023: EUR903 million) and EUR444 million (31 December 2023: EUR500 million) respectively.

13 Goodwill

	EUR million
At 31 December 2023	
Cost	12,848
Accumulated impairment	(2,999)
	9,849
Six months ended 30 June 2024	
Opening net book value	9,849
Exchange translation differences	16
Closing net book value	9,865

13 Goodwill (continued)

	<u>EUR million</u>
At 30 June 2024	
Cost	12,864
Accumulated impairment	(2,999)
	<hr/>
	9,865
	<hr/>

As at 30 June 2024, the carrying amount of goodwill has been allocated to the telecommunications operation in Austria of EUR768 million (31 December 2023: EUR768 million), Hong Kong of EUR473 million (31 December 2023: EUR459 million), Ireland of EUR581 million (31 December 2023: EUR581 million), Italy of EUR6,650 million (31 December 2023: EUR6,650 million), Denmark and Sweden of EUR996 million (31 December 2023: EUR1,005 million) and the UK of EUR397 million (31 December 2023: EUR386 million).

14 Interests in joint ventures

	30 June 2024	31 December 2023
	EUR million	EUR million
Unlisted shares	303	303
Share of undistributed post acquisition reserves	(6)	(9)
	<hr/>	<hr/>
	297	294
Amounts due from joint ventures	22	24
	<hr/>	<hr/>
	319	318
	<hr/>	<hr/>

15 Deferred tax

	30 June 2024	31 December 2023
	EUR million	EUR million
Deferred tax assets	1,981	1,969
Deferred tax liabilities	276	273
	<hr/>	<hr/>
Net deferred tax assets	1,705	1,696
	<hr/>	<hr/>

15 Deferred tax (continued)

Analysis of net deferred tax assets:

	30 June 2024	31 December 2023
	EUR million	EUR million
Tax losses	1,947	1,852
Accelerated depreciation allowances	(152)	(72)
Fair value adjustments arising from acquisitions	(117)	(108)
Revaluation of other investments	3	3
Other temporary differences	24	21
	1,705	1,696

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority.

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax assets is recognised in the consolidated statement of financial position at 30 June 2024 were EUR19,858 million (31 December 2023: EUR20,201 million) and EUR2,216 million (31 December 2023: EUR2,247 million), respectively, totalling EUR22,074 million (31 December 2023: EUR22,448 million). The amounts included balances that are subject to agreement by relevant tax authorities.

16 Listed investments

	30 June 2024	31 December 2023
	EUR million	EUR million
Financial assets at fair value through other comprehensive income ("FVOCI") ^(a)		
Listed equity securities ^(b)	501	973

(a) The fair values are based on quoted market prices.

(b) These financial assets are investments in listed equity securities. They are not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise and measure these investments at FVOCI. As at 30 June 2024, the Group has collar agreements with banks to hedge fair values of these listed equity securities. Fair value surplus of EUR23 million of these collar arrangements are included in current assets (see note 19). For comparative balance as at 31 December 2023, fair value deficits of EUR35 million and EUR7 million of these collar arrangements are included in current and non-current liabilities (see note 21 and 25, respectively).

17 Other non-current assets

	30 June 2024	31 December 2023
	EUR million	EUR million
Customer acquisition and retention costs ^(a)	506	498
Contract assets	439	444
Unlisted investments		
Financial assets at FVOCI - equity securities ^(b)	2	2
Pension assets (see note 24)	6	5
Derivative financial instruments		
Cash flow hedges - cross currency interest rate swaps	27	18
Other non-current assets ^(c)	631	641
	1,611	1,608

- (a) Customer acquisition and retention costs primarily relate to incremental commission costs incurred to obtain telecommunications contracts with customers. The amount of customer acquisition and retention costs shown above is after deducting the amortisation charged to the current period's consolidated income statement of EUR225 million (30 June 2023: EUR211 million). Further, there was no impairment loss in relation to the cost capitalised. The Group applies the practical expedient in paragraph 94 of IFRS 15, and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the costs that the Group otherwise would have recognised is one year or less.
- (b) These equity securities are not investments held for trading purpose. The Group made an election to recognise and measure these investments at fair value through other comprehensive income as the Group considered this FVOCI category to be the appropriate classification. Fair value for these investments are determined by using valuation techniques, including discounted cashflow analysis.
- (c) Amount included lease receivables of EUR2 million (31 December 2023: EUR7 million). The remaining balances are mainly prepayments of telecommunications annual licences fee.

18 Cash and cash equivalents

	30 June 2024	31 December 2023
	EUR million	EUR million
Cash at bank and in hand	1,501	1,178
Short term bank deposits	2,041	1,361
	3,542	2,539

The carrying amounts of cash and cash equivalents approximate their fair values.

19 Trade receivables and other current assets

	30 June 2024	31 December 2023
	EUR million	EUR million
Trade receivables ^(a)	1,482	1,635
Less: loss allowance provision	(411)	(433)
	1,071	1,202
Amounts due from CKHH group entities ^(b)	45	-
Other current assets		
Derivative financial instruments		
Fair value hedges - collar agreements	23	-
Cash flow hedges - other contracts	2	3
Contract assets	385	432
Prepayments	1,035	1,060
Other receivables	231	244
Current tax receivables	12	14
	2,804	2,955

- (a) Trade receivables are stated at the expected recoverable amount, net of any provision for estimated impairment losses where it is deemed that a receivable may not be fully recoverable. The carrying amounts of these assets approximate their fair values.

At the end of the period / year, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	30 June 2024	31 December 2023
	EUR million	EUR million
Less than 31 days	834	951
Within 31 to 60 days	58	79
Within 61 to 180 days	113	94
Over 180 days	477	511
	1,482	1,635

- (b) At 30 June 2024, the amounts due from CKHH group entities were unsecured, interest free and had no fixed terms of repayment.

20 Bank and other debts

	30 June 2024			31 December 2023		
	Current portion EUR million	Non-current portion EUR million	Total EUR million	Current portion EUR million	Non-current portion EUR million	Total EUR million
Principal amounts						
Bank loans	1,368	1,000	2,368	1,500	372	1,872
Notes and bonds	-	3,699	3,699	-	3,672	3,672
Subtotal before the following items	1,368	4,699	6,067	1,500	4,044	5,544
Unamortised loan facilities fees and premiums or discounts related to debts	(2)	(20)	(22)	(3)	(23)	(26)
	1,366	4,679	6,045	1,497	4,021	5,518

Bank and other debts at principal amount are scheduled for repayment by calendar year as follows:

	30 June 2024		
	Bank loans EUR million	Notes and bonds EUR million	Total EUR million
2024, remainder of year	1,000	-	1,000
2025	368	-	368
2026	1,000	1,000	2,000
2027	-	593	593
2028	-	1,000	1,000
2029 to 2033	-	750	750
2034 and thereafter	-	356	356
	2,368	3,699	6,067
Less: current portion	(1,368)	-	(1,368)
	1,000	3,699	4,699
	31 December 2023		
	Bank loans EUR million	Notes and bonds EUR million	Total EUR million
2024	1,500	-	1,500
2025	372	-	372
2026	-	1,000	1,000
2027	-	576	576
2028	-	1,000	1,000
2029 to 2033	-	750	750
2034 and thereafter	-	346	346
	1,872	3,672	5,544
Less: current portion	(1,500)	-	(1,500)
	372	3,672	4,044

21 Trade payables and other current liabilities

	30 June 2024	31 December 2023
	EUR million	EUR million
Trade payables ^(a)	933	887
Amounts due to CKHH group entities ^(b)	-	3
Other current liabilities		
Derivative financial instruments		
Fair value hedges - collar agreements	-	35
Cash flow hedges - other contracts	7	12
Contract liabilities	415	453
Obligations for telecommunications licences and other rights	75	72
Provisions (see note 22)	101	146
Expenses and other accruals	1,671	1,857
Other payables	508	479
	3,710	3,944

(a) At the end of the period / year, the ageing analysis of the trade payables is as follows:

	30 June 2024	31 December 2023
	EUR million	EUR million
Less than 31 days	731	663
Within 31 to 60 days	39	38
Within 61 to 90 days	6	13
Over 90 days	157	173
	933	887

(b) At 31 December 2023, the amounts due to CKHH group entities were unsecured, interest free and had no fixed terms of repayment.

22 Provisions

	30 June 2024	31 December 2023
	EUR million	EUR million
Provision for commitments, onerous contracts and other guarantees	451	472
Closure obligations	1	1
Assets retirement obligations	131	129
Other provisions	113	153
	696	755
Provisions are analysed as:		
Current portion (see note 21)	101	146
Non-current portion (see note 25)	595	609
	696	755

The provision for commitments, onerous contracts and other guarantees represents the unavoidable costs of meeting these commitments and obligations after deducting the associated, expected future benefits and / or estimated recoverable value. The provision for closure obligations represents the estimated costs to execute integration plans and store closures. The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing fixed assets when they are no longer used and restoring the sites on which they are located.

23 Interest bearing loan from non-controlling shareholder

At 30 June 2024, the loan bears interest rate at Stockholm Interbank Offered Rate ("STIBOR") + 0.7% (31 December 2023: STIBOR+0.7%) per annum. The carrying amount of the borrowing approximates its fair value.

24 Pension obligations

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds. The Group's major defined benefit plans are in Hong Kong and Italy.

Amounts recognised in the consolidated statement of financial position are as follows:

	30 June 2024	31 December 2023
	EUR million	EUR million
Defined benefit assets (see note 17)	6	5
Defined benefits liabilities	67	67
Net defined benefit liabilities	61	62

The amounts recognised in the consolidated statement of financial position are determined as follows:

Present value of defined benefit obligations	87	86
Fair value of plan assets	26	24
Net defined benefit liabilities	61	62

25 Other non-current liabilities

	30 June 2024	31 December 2023
	EUR million	EUR million
Derivative financial instruments		
Fair value hedges - collar agreements	-	7
Obligations for telecommunications licences and other rights	444	463
Other non-current liabilities	345	334
Provisions (see note 22)	595	609
	1,384	1,413

26 Share capital and share premium

	Number of shares	Share capital EUR	Share premium EUR	Total EUR
Authorised:				
Ordinary shares of EUR1 each	40,000	40,000	-	40,000
	Number of shares	Share capital EUR million	Share premium EUR million	Total EUR million
Issued and fully paid:				
Ordinary shares				
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	64	-	17,908	17,908

27 Reserves

	Six months ended 30 June 2024					
	Retained profit EUR million	Attributable to owners of the Company				Total EUR million
		Exchange reserve EUR million	Hedging reserve EUR million	Merger reserve ^(a) EUR million	Others ^(b) EUR million	
At 1 January 2024	10,619	781	1	(3,028)	(182)	8,191
Profit for the period	110	-	-	-	-	110
Other comprehensive income (losses)						
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	-	(42)	(42)
Exchange gains on translation of foreign operations	-	234	-	-	-	234
Losses on cash flow hedges	-	-	(2)	-	-	(2)
Tax relating to components of other comprehensive income (losses)	-	-	-	-	-	-
Other comprehensive income (losses), net of tax	-	234	(2)	-	(42)	190
Transfer of losses on disposal of equity securities at FVOCI to retained profit	(25)	-	-	-	25	-
At 30 June 2024	10,704	1,015	(1)	(3,028)	(199)	8,491
	Six months ended 30 June 2023					
	Retained profit EUR million	Attributable to owners of the Company				Total EUR million
		Exchange reserve EUR million	Hedging reserve EUR million	Merger reserve ^(a) EUR million	Others ^(b) EUR million	
At 1 January 2023	10,374	771	30	(3,028)	(251)	7,896
Profit for the period	89	-	-	-	-	89
Other comprehensive income (losses)						
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	-	63	63
Exchange gains on translation of foreign operations	-	54	-	-	-	54
Losses on cash flow hedges	-	-	(43)	-	-	(43)
Losses on net investment hedges	-	(25)	-	-	-	(25)
Tax relating to components of other comprehensive income (losses)	-	-	-	-	-	-
Other comprehensive income (losses), net of tax	-	29	(43)	-	63	49
Transaction with owners in their capacity as owners:						
Recognition of put option liabilities arising from business combinations	-	-	-	-	(17)	(17)
At 30 June 2023	10,463	800	(13)	(3,028)	(205)	8,017

(a) Merger reserve represents the difference between the capital contributions from CKHH group entities to the companies now comprising the Group before the reorganisation and the consideration paid by the Group for acquisition of the CKHH Group's telecommunication businesses in Europe and Hong Kong.

(b) Other reserves comprise revaluation reserve and other capital reserves. As at 30 June 2024, revaluation reserve deficit amounted to EUR73 million (1 January 2024: EUR56 million, 30 June 2023: EUR79 million and 1 January 2023: EUR142 million), and other capital reserves deficit amounted to EUR126 million (1 January 2024: EUR126 million, 30 June 2023: EUR126 million and 1 January 2023: EUR109 million). Revaluation deficit arising from revaluation to market value of listed equity securities are included in revaluation reserve. Surpluses and deficits arising from transactions with non-controlling interests are included in other capital reserves.

28 Notes to condensed consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Profit after tax	117	95
Less: share of profits less losses of joint ventures	(3)	(2)
	114	93
Adjustments for:		
Current tax credit	(36)	(33)
Deferred tax charge (credit)	28	(33)
Interest expenses and other finance costs	146	107
Depreciation and amortisation	1,503	1,449
	1,755	1,583
EBITDA of Company and subsidiaries ⁽ⁱ⁾	1,755	1,583
Losses on disposal of fixed assets	4	4
Gain on disposal of a subsidiary company	-	(9)
Customer acquisition and retention costs capitalised in the period	(230)	(245)
Other non-cash items	-	(3)
	1,529	1,330

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
(i) Reconciliation of EBITDA:		
EBITDA of Company and subsidiaries	1,755	1,583
Share of EBITDA of joint ventures		
Share of profits less losses of joint ventures	3	2
Adjustments for:		
Depreciation and amortisation	29	23
Interest expenses and other finance costs	1	1
Current tax charge	1	2
Deferred tax credit	(1)	-
	33	28
EBITDA (see note 5(b)(ii))	1,788	1,611

(b) Changes in working capital

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Increase in inventories	(41)	(15)
Decrease in trade receivables and other current assets	164	74
Decrease in trade payables and other current liabilities	(298)	(731)
Other non-cash items	108	57
	(67)	(615)

28 Notes to condensed consolidated statement of cash flows (continued)

(c) Purchase of subsidiary companies

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised for acquisitions completed during the periods:

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Purchase consideration transferred:		
Cash and cash equivalents paid	-	10
Fair value		
Fixed assets	-	1
Brand names and other rights	-	1
Cash and cash equivalents	-	1
Trade receivables and other current assets	-	3
Trade payables and other current liabilities and current tax liabilities	-	(4)
Net identifiable assets acquired	-	2
Non-controlling interests	-	(1)
Goodwill	-	9
Total consideration	-	10
Net cash outflow arising from acquisition:		
Cash and cash equivalents paid	-	10
Cash and cash equivalents acquired	-	(1)
Total net cash outflow	-	9

The assets acquired and liabilities assumed are recognised at the acquisition date fair value and are recorded at the consolidation level.

For the six months ended 30 June 2023, the contributions to the Group's revenue and profit before tax from these subsidiaries acquired during the period since the respective date of acquisition were not material. The acquisition related costs were not material.

28 Notes to condensed consolidated statement of cash flows (continued)

(d) Disposal of a subsidiary company

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Equity securities received	-	303
Cash and cash equivalents received	-	303
Total disposal consideration	-	606
Carrying amount of net assets disposed as a subsidiary	-	(597)
Gain on disposal of a subsidiary	-	9
Analysis of assets and liabilities over which control was lost		
Assets classified as held for sale	-	733
Liabilities directly associated with assets classified as held for sale	-	(136)
Net assets disposed	-	597

For the comparative period, the disposal of a subsidiary company mainly related to the disposal of Zefiro Net S.r.l, which became a 50% owned joint venture in the comparative period. The gain on disposal is recognised in the consolidated income statement and included in the line item titled “Other income and gains”. See note 6.

Saved as disclosed for the effect arising from the gain on disposal, the effect on the Group’s results from the subsidiary disposed during the period are not material for the period ended 30 June 2023.

28 Notes to condensed consolidated statement of cash flows (continued)

(e) Changes in liabilities arising from financing activities

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities:

	Bank and other debts EUR million	Lease liabilities EUR million	Interest bearing loan from non- controlling shareholder EUR million	Total EUR million
At 1 January 2024	5,518	1,880	242	7,640
Financing cash flows				
New borrowings	1,000	-	-	1,000
Repayment of borrowings	(500)	-	-	(500)
Principal elements of lease payments	-	(407)	-	(407)
Other changes				
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 7)	3	-	-	3
Increase in lease liabilities from entering into new leases during the period (see note 10 (a))	-	151	-	151
Interest on lease liabilities (see note 7)	-	42	-	42
Interest element of lease liabilities paid (included in “net cash from operating activities”)	-	(39)	-	(39)
Remeasurement / write off of lease liabilities	-	115	-	115
Exchange translation differences	24	15	(2)	37
At 30 June 2024	6,045	1,757	240	8,042
At 1 January 2023	6,505	1,855	220	8,580
Financing cash flows				
Principal elements of lease payments	-	(368)	-	(368)
Other changes				
Amortisation of loan facilities fees and premiums or discounts relating to debts (see note 7)	4	-	-	4
Increase in lease liabilities from entering into new leases during the period (see note 10 (a))	-	517	-	517
Interest on lease liabilities (see note 7)	-	40	-	40
Interest element of lease liabilities paid (included in “net cash from operating activities”)	-	(36)	-	(36)
Remeasurement / write off of lease liabilities	-	78	-	78
Exchange translation differences	(3)	(17)	(14)	(34)
At 30 June 2023	6,506	2,069	206	8,781

29 Contingent liabilities and guarantees

At 30 June 2024, the Group had provided performance and other guarantees of EUR297 million (31 December 2023: EUR198 million).

30 Commitments

There have been no material changes in the total amount of capital commitments since 31 December 2023 except for the amounts taken up during the period in the normal course of business.

31 Related parties transactions

(a) Key management personnel remuneration

The remuneration for the directors of the Company (being the key management personnel) for the current and comparative periods are borne by CKHH group entities.

(b) Saved as disclosed elsewhere in the Interim Financial Statements, the following transactions occurred with other related parties:

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
Sales of contract assets (handset receivables) to CKHH group entities ⁽ⁱ⁾	338	367
Exchange losses hedged to CKHH group entities ⁽ⁱⁱ⁾	-	(1)

(i) During the period, the Group has entered into handset receivable agreements with CKHH group entities which resulted in the sale of certain contract assets (unbilled handset receivables) for which the Group was paid at the carrying cost of the contract assets sold, being the face value of the underlying unbilled handset receivables less the related allowance to cover the credit and late payment risk.

(ii) During the year ended 31 December 2023, the Group has entered into a foreign exchange economic hedge agreement with CKHH group entities which resulted in the transfer of the Group's foreign exchange exposure to CKHH group entities. The foreign exchange economic hedge agreement with CKHH group entities matured in May 2023.

32 Legal proceedings

At 30 June 2024 and 31 December 2023, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

33 Fair value measurements

(a) Carrying amounts and fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

	Note	Classification under IFRS 9	30 June 2024		31 December 2023	
			Carrying amounts EUR million	Fair values EUR million	Carrying amounts EUR million	Fair values EUR million
Financial assets						
Listed investments						
Listed equity securities	16	FVOCI	501	501	973	973
Unlisted investments						
Unlisted equity securities	17	FVOCI	2	2	2	2
Derivative financial instruments						
Fair value hedges						
Collar agreements	19	Fair value - hedges	23	23	-	-
Cash flow hedges						
Cross currency interest rate swaps	17	Fair value - hedges	27	27	18	18
Other contracts	19	Fair value - hedges	2	2	3	3
Lease receivables	17	Amortised cost	2	2	7	7
Cash and cash equivalents	18	Amortised cost	3,542	3,542	2,539	2,539
Trade receivables	19	Amortised cost	1,071	1,071	1,202	1,202
Other receivables	19	Amortised cost	231	231	244	244
Amounts due from joint ventures	14	Amortised cost	22	22	24	24
Amounts due from CKHH group entities	19	Amortised cost	45	45	-	-
			5,468	5,468	5,012	5,012
Financial liabilities						
Bank and other debts ⁽ⁱ⁾	20	Amortised cost	6,045	5,643	5,518	5,142
Trade payables	21	Amortised cost	933	933	887	887
Derivative financial instruments						
Fair value hedges						
Collar agreements	21 & 25	Fair value - hedges	-	-	42	42
Cash flow hedges						
Other contracts	21	Fair value - hedges	7	7	12	12
Expenses and other accruals	21	Amortised cost	1,671	1,671	1,857	1,857
Other payables	21	Amortised cost	508	508	479	479
Lease liabilities	10	Amortised cost	1,757	1,757	1,880	1,880
Interest bearing loan from non-controlling shareholder		Amortised cost	240	240	242	242
Obligations for telecommunications licences and other rights	21 & 25	Amortised cost	519	519	535	535
Amounts due to CKHH group entities	21	Amortised cost	-	-	3	3
			11,680	11,278	11,455	11,079
Representing:						
Financial assets measured at						
Amortised cost			4,913	4,913	4,016	4,016
FVOCI			503	503	975	975
Fair value - hedges			52	52	21	21
			5,468	5,468	5,012	5,012
Financial liabilities measured at						
Amortised cost			11,673	11,271	11,401	11,025
Fair value - hedges			7	7	54	54
			11,680	11,278	11,455	11,079

- (i) The fair values of the bank and other debts are based on market quotes or estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

33 Fair value measurements (continued)

(b) Financial assets and financial liabilities measured at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
 Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
 Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

	Note	30 June 2024				31 December 2023			
		Level 1 EUR million	Level 2 EUR million	Level 3 EUR million	Total EUR million	Level 1 EUR million	Level 2 EUR million	Level 3 EUR million	Total EUR million
Financial assets									
Listed investments									
Listed equity securities	16	501	-	-	501	973	-	-	973
Unlisted investments									
Unlisted equity securities	17	-	-	2	2	-	-	2	2
Derivative financial instruments									
Fair value hedges									
Collar agreements	19	-	-	23	23	-	-	-	-
Cash flow hedges									
Cross currency interest rate swaps	17	-	27	-	27	-	18	-	18
Other contracts	19	-	2	-	2	-	3	-	3
		501	29	25	555	973	21	2	996
Financial liabilities									
Derivative financial instruments									
Fair value hedges									
Collar agreements	21 & 25	-	-	-	-	-	-	42	42
Cash flow hedges									
Other contracts	21	-	7	-	7	-	12	-	12
		-	7	-	7	-	12	42	54

The fair value of financial assets and financial liabilities that are not traded in active market is determined by using valuation techniques. Specific valuation techniques used to value financial assets and financial liabilities include discounted cash flow analysis, are used to determine fair value for the financial assets and financial liabilities.

During the six months ended 30 June 2024 and 2023, there were no transfers between the Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

33 Fair value measurements (continued)

(b) Financial assets and financial liabilities measured at fair value (continued)

Level 3 fair values

The movements of the balance of financial assets and financial liabilities measured at fair value based on Level 3 are as follows:

	Six months ended 30 June	
	2024	2023
	EUR million	EUR million
At 1 January	(40)	28
Total gains (losses) recognised in		
Income statement	-	-
Other comprehensive income	65	(133)
At 30 June	25	(105)
Total gains (losses) recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	-	-

The fair value of financial assets and financial liabilities that are grouped under Level 3 is determined by using valuation techniques including discounted cash flow analysis. In determining fair value, specific valuation techniques are used with reference to inputs such as dividend stream and other specific input relevant to those particular financial assets and financial liabilities.

Changing unobservable inputs used in Level 3 valuation to reasonable alternative assumptions would not have significant impact on the Group's profit or loss.

34 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million currency units unless otherwise stated.

35 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those adopted in the 2023 Annual Financial Statements, except for the adoption of the new standards, interpretations and amendments became effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments apply for the first time to financial reporting periods commencing on or after 1 January 2024, but do not have a material impact on the Interim Financial Statements:

(a) Classification of Liabilities as Current or Non-current – Amendments to IAS 1; and Non-current Liabilities with Covenants – Amendments to IAS 1

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Interim Financial Statements.

35 New standards, interpretations and amendments adopted by the Group (continued)

(b) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

These are narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The amendments had no impact on the Interim Financial Statements.

(c) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

These amendments clarify the characteristics of supplier finance arrangements ("SFAs") and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of SFAs on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus these amendments had no impact on the Interim Financial Statements.