



Hutchison Telecom
Hong Kong Holdings

SEHK: 215
2009 Annual Results
Presentation

8 March 2010



A Hutchison Whampoa Company

Disclaimer

These materials have been prepared by Hutchison Telecommunications Hong Kong Holdings Limited (HTHKH) solely for use at this presentation and have not been independently verified. No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions presented or contained in these materials.

It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the financial or trading positions or prospects of HTHKH. None of HTHKH or any of their respective directors, officers, employees, agents, affiliates, advisers or representatives accepts any liability whatsoever in negligence or otherwise for any loss howsoever arising from any information or opinions presented or contained in these materials or otherwise arising in connection with these materials. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed.

These materials are for information purposes only and do not constitute or form part of any invitation or offer to acquire, purchase or subscribe for securities and none of them shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.

These materials contain forward-looking statements. Statements that are not historical facts, including statements about management's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and HTHKH undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks, uncertainties and assumptions. HTHKH caution you that if these risks or uncertainties ever materialize or the assumptions prove incorrect, or if a number of important factors occur or do not occur, HTHKH actual results may differ materially from those expressed or implied in any forward-looking statement.

While non-generally accepted accounting principles (GAAP) measures such as EBITDA (earnings before interest, taxation, depreciation and amortization) are often used by companies as an indicator of operating performance, they are not expressly permitted measures under the GAAP or the International Financial Reporting Standards (IFRS) and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of HTHKH, and its subsidiaries or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the current financial performance of HTHKH, and its subsidiaries. Additionally, because HTHKH has historically reported certain non-GAAP results to investors, HTHKH considers the inclusion of non-GAAP measures provides consistency in its financial reporting.

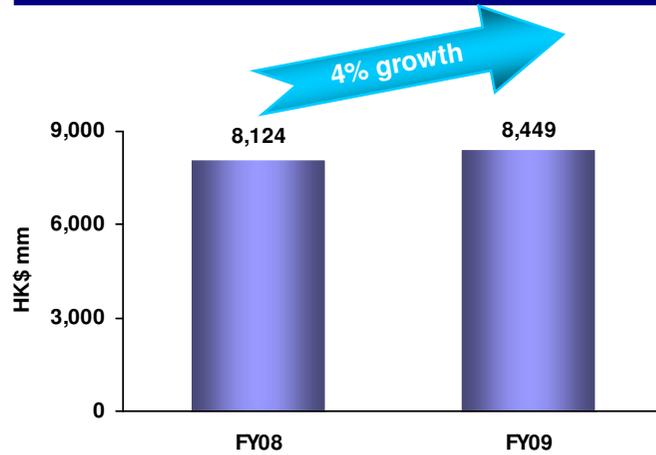
Business Performance

Highlights

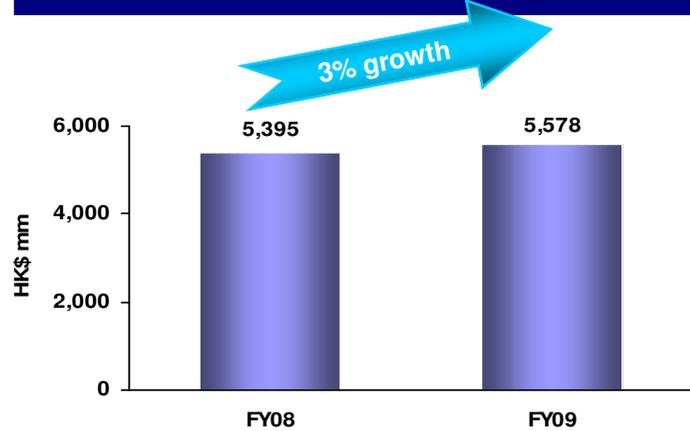
- 1 Consolidated turnover grew 4% to HK\$8,449 million
- 2 Mobile data revenue grew over 50% and operating profit increased by 97% to HK\$483 million
- 3 Fixed-line carrier market reported strong growth and operating profit increased by 10% to HK\$398 million
- 4 Profit attributable to equity holders increased 103% to HK\$468 million
- 5 Recommend final dividend per share of 6.16 HK cents

1 Turnover

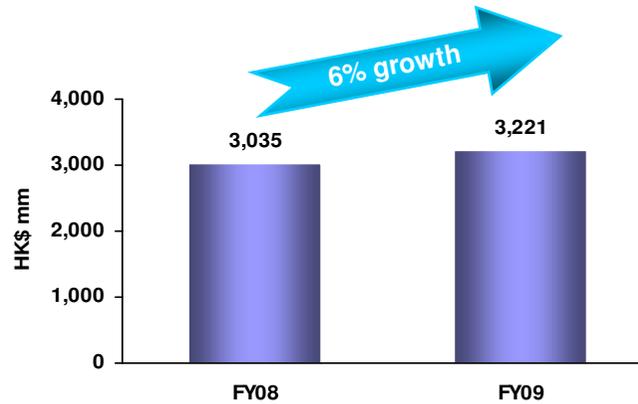
Consolidated turnover



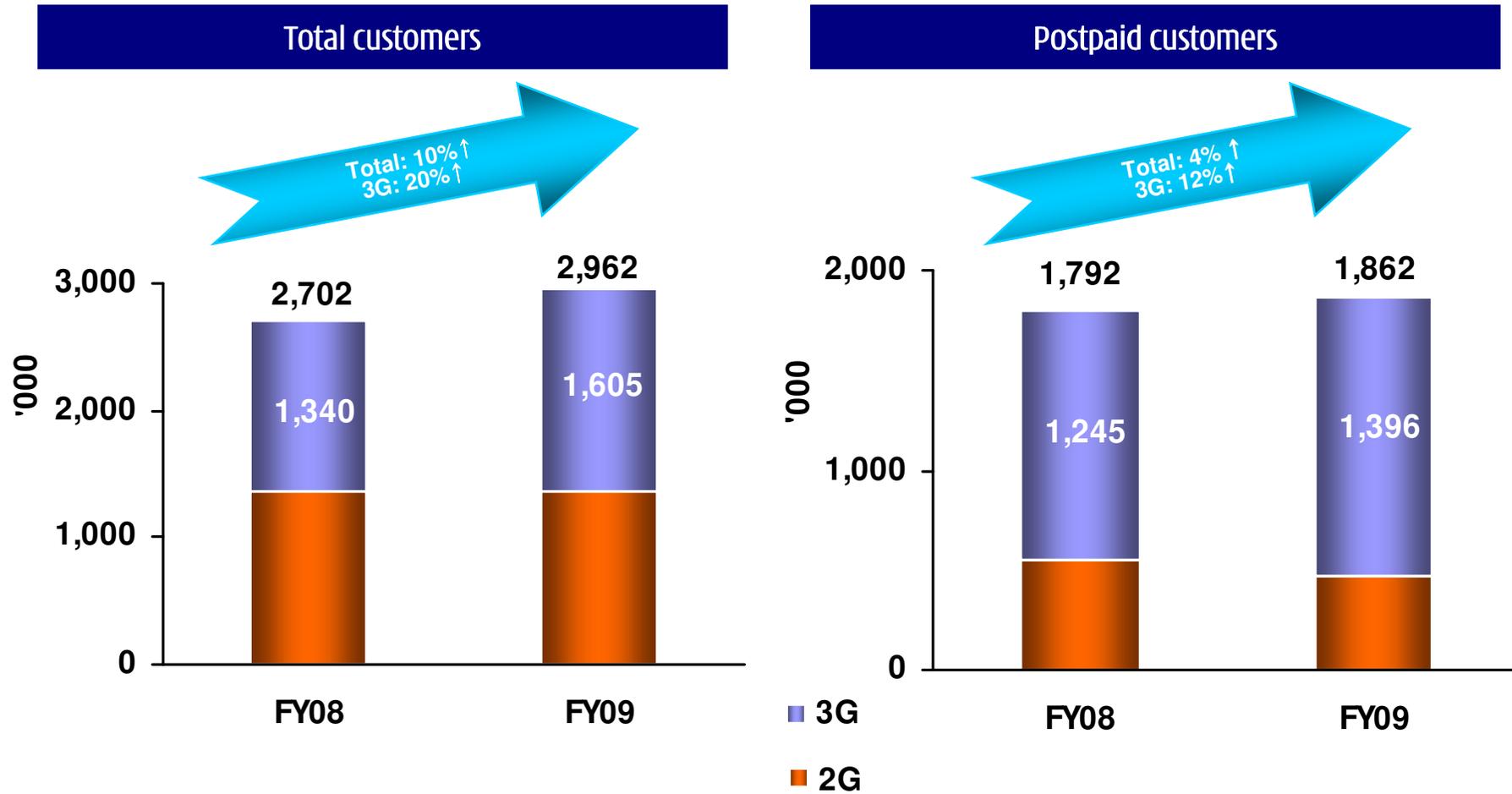
Mobile business turnover



Fixed-line business turnover



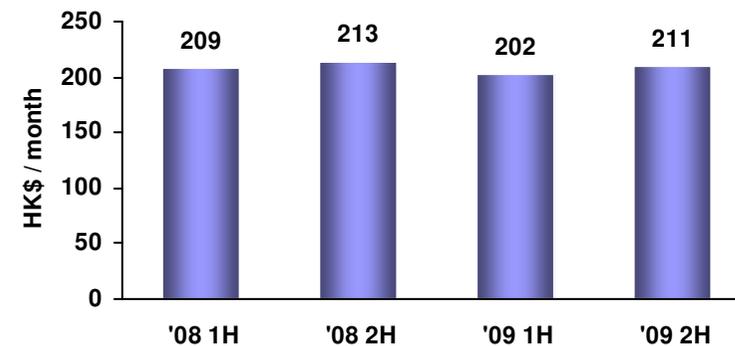
2 Mobile - customers



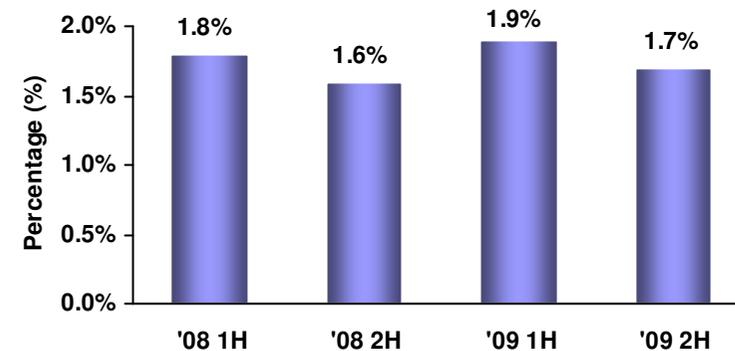
2 Mobile - KPIs

- Improving postpaid ARPU and churn under softened economy

Postpaid ARPU

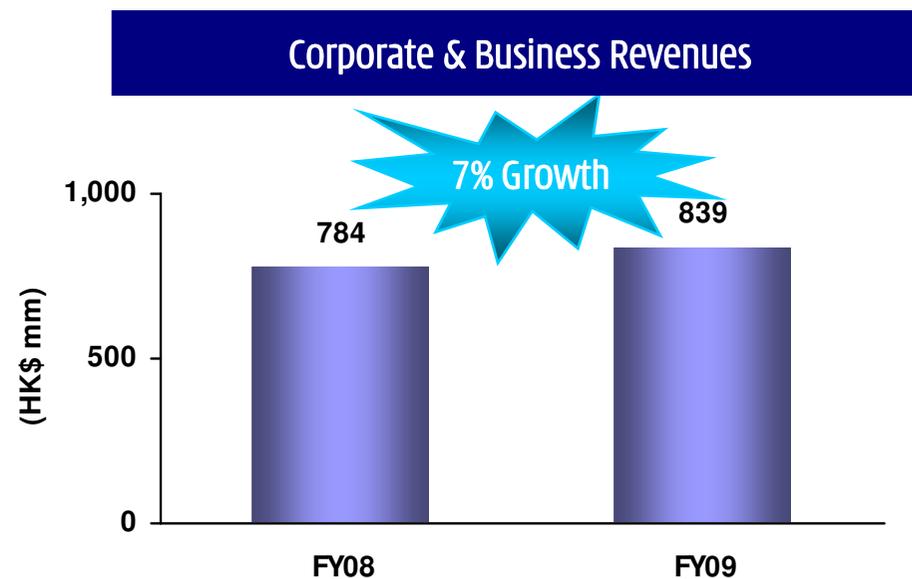
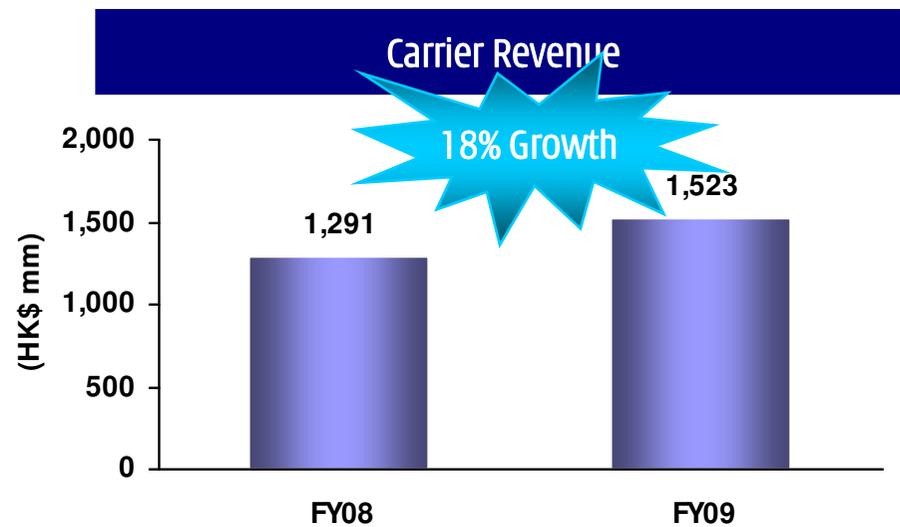


Postpaid churn



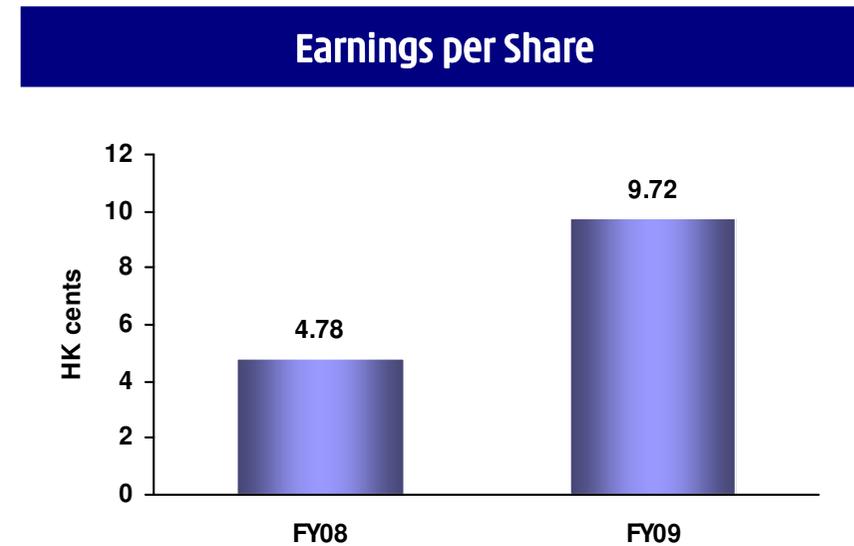
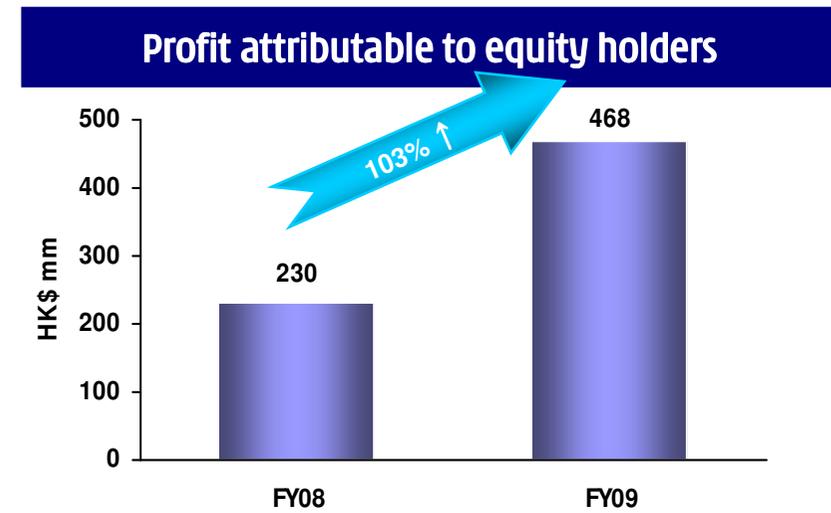
3 Fixed-line - key revenue drivers

- Focused and well-executed growth strategy



4 Profit attributable to equity holders and EPS

- Double earnings



5 Delivering value to equity holders

- **Solid cash flows and businesses growth**
 - strong consolidated results and operational cash flows
 - sound financial position and adequate pool of internal resources
- Recommended 2009 final dividend: 6.16 HK cents or HK\$297 million in total
- With inclusion of interim dividend at 1.12 HK cents, payout ratio: 75% of net profits

Financial Overview

Financial Highlights

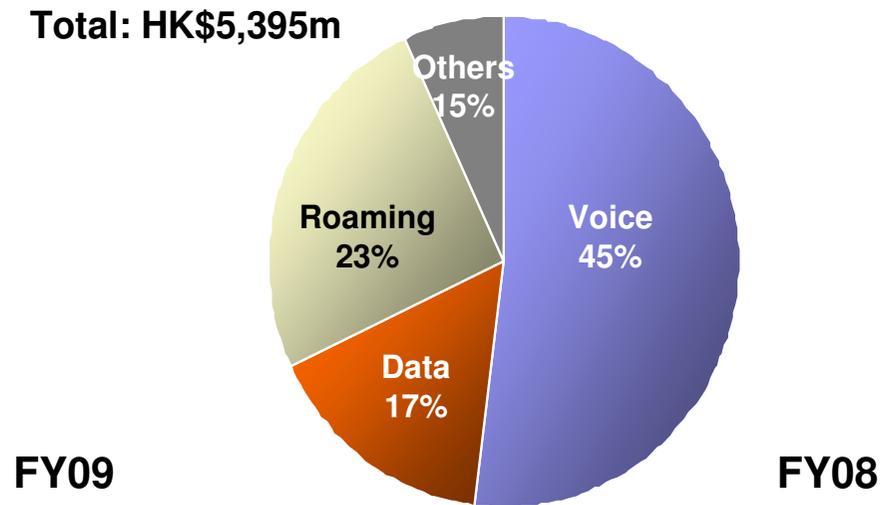
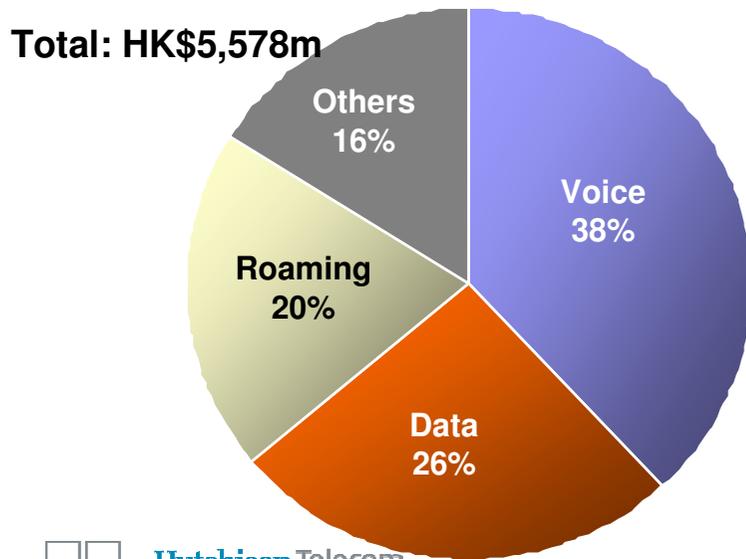
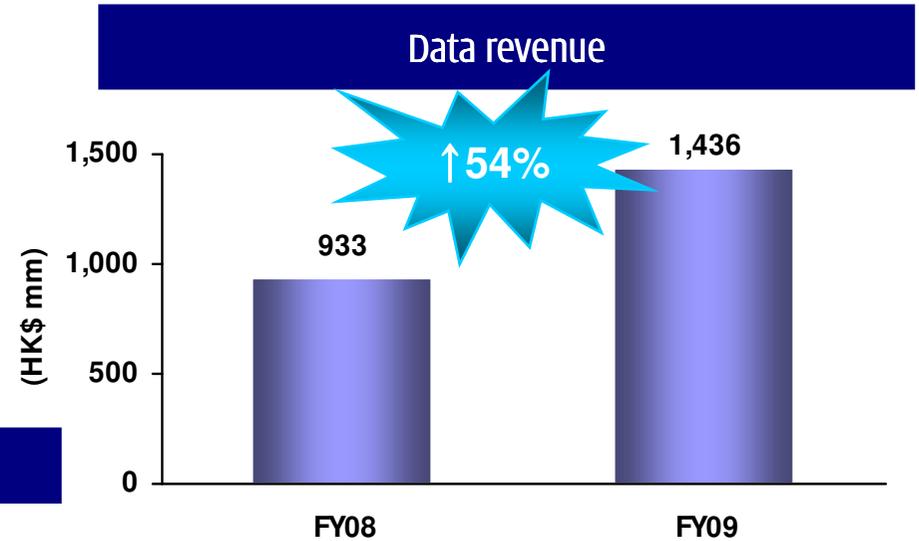
	FY09 (HK\$m)	FY08 (HK\$m)
Turnover	8,449	8,124
Cost of inventories sold	(756)	(698)
Staff costs	(644)	(630)
Depreciation and amortisation	(1,288)	(1,390)
Other operating expenses	(4,974)	(4,898)
Operating profit	787	508
Interest income	4	17
Interest and other finance costs	(184)	(223)
Share of results of jointly controlled entities	(16)	(11)
Profit before taxation	591	291
Taxation	(61)	(73)
Profit for the year	530	218
Attributable to:		
Equity holders of the Company	468	230
Minority interests	62	(12)
	530	218



Turnover – mobile business

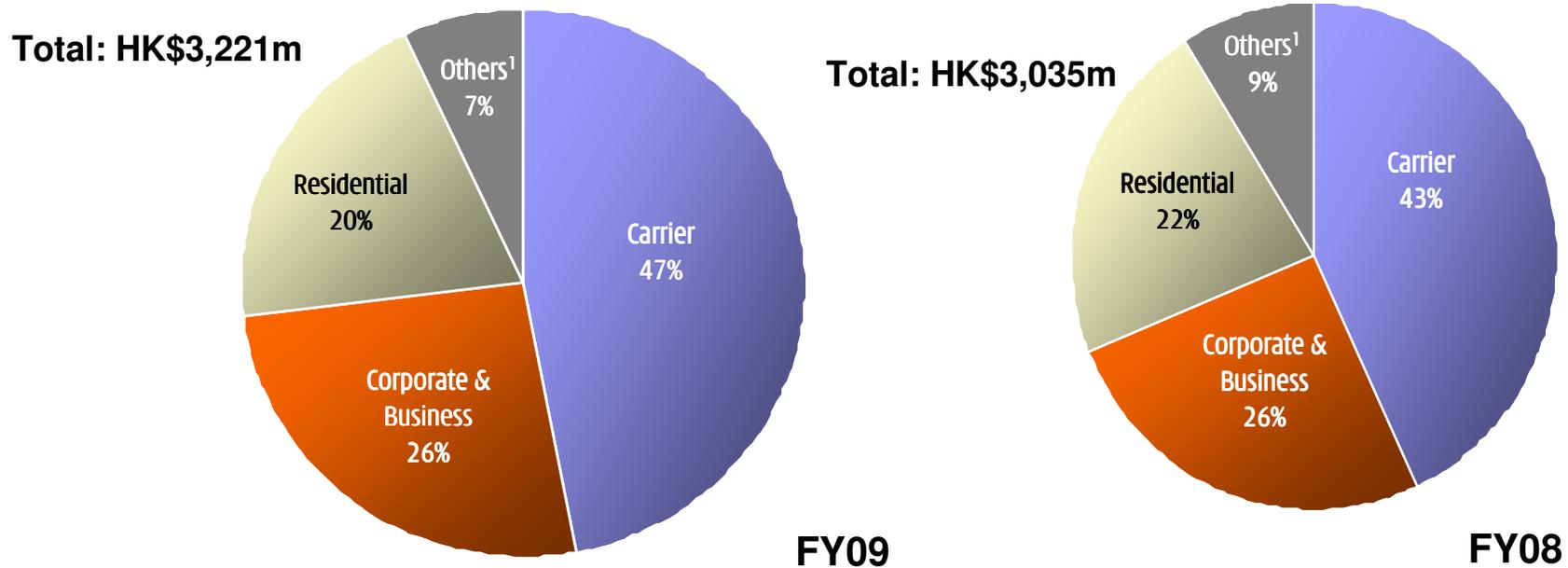
- 54% data revenue growth

Turnover analysis by segments



Turnover - Fixed-line business

- Solid growth in Carrier, Corporate & Business markets



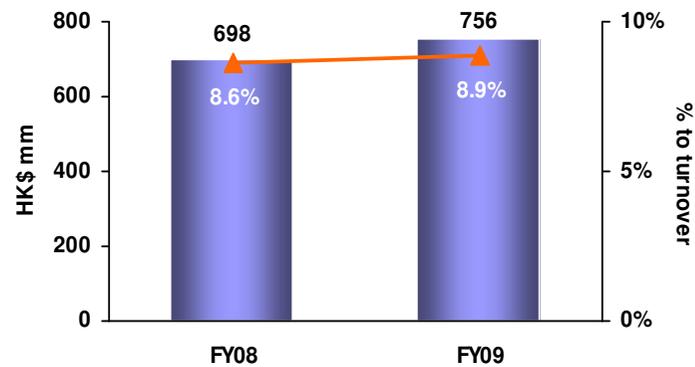
¹ Others include revenue from interconnection charges and data centers

Financial Highlights

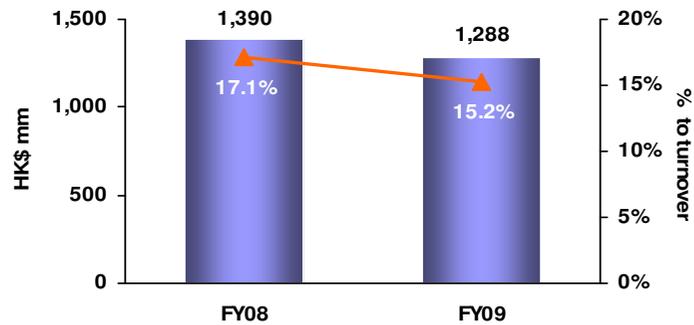
	FY09 (HK\$m)	FY08 (HK\$m)
Turnover	8,449	8,124
Cost of inventories sold	(756)	(698)
Staff costs	(644)	(630)
Depreciation and amortisation	(1,288)	(1,390)
Other operating expenses	(4,974)	(4,898)
	<hr/>	<hr/>
Operating profit	787	508
Interest income	4	17
Interest and other finance costs	(184)	(223)
Share of results of jointly controlled entities	(16)	(11)
	<hr/>	<hr/>
Profit before taxation	591	291
Taxation	(61)	(73)
	<hr/>	<hr/>
Profit for the year	<u>530</u>	<u>218</u>
Attributable to:		
Equity holders of the Company	468	230
Minority interests	62	(12)
	<hr/>	<hr/>
	<u>530</u>	<u>218</u>

Key cost items

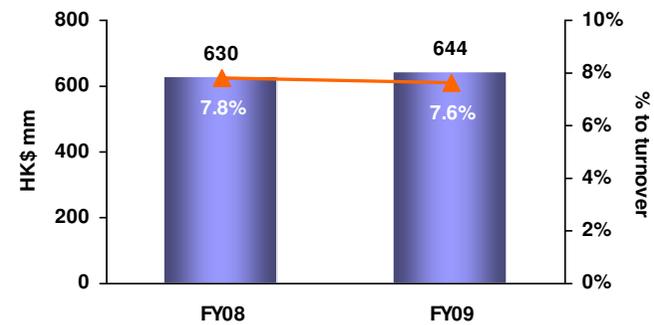
Cost of inventories sold



Depreciation and amortisation expenses



Staff costs

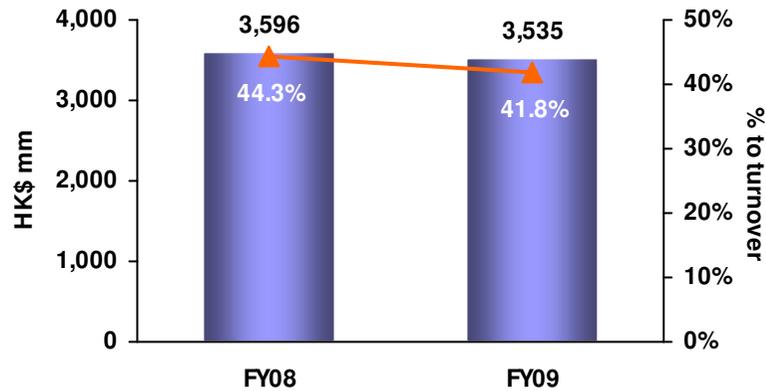


Financial Highlights

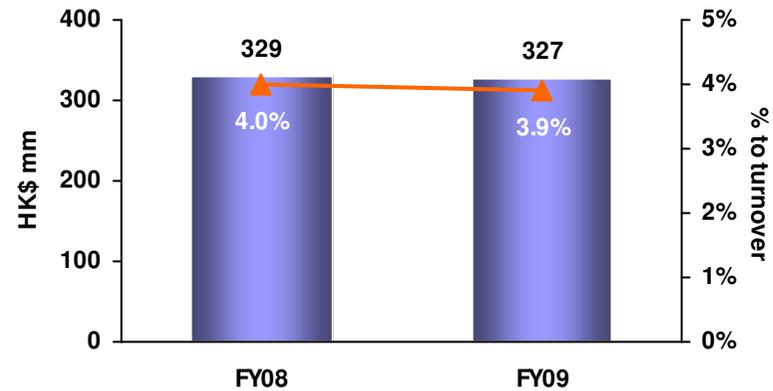
	FY09 (HK\$m)	FY08 (HK\$m)
Turnover	8,449	8,124
Cost of inventories sold	(756)	(698)
Staff costs	(644)	(630)
Depreciation and amortisation	(1,288)	(1,390)
Other operating expenses	(4,974)	(4,898)
	<hr/>	<hr/>
Operating profit	787	508
Interest income	4	17
Interest and other finance costs	(184)	(223)
Share of results of jointly controlled entities	(16)	(11)
	<hr/>	<hr/>
Profit before taxation	591	291
Taxation	(61)	(73)
	<hr/>	<hr/>
Profit for the year	<u>530</u>	<u>218</u>
Attributable to:		
Equity holders of the Company	468	230
Minority interests	62	(12)
	<hr/>	<hr/>
	<u>530</u>	<u>218</u>

Other operating expenses

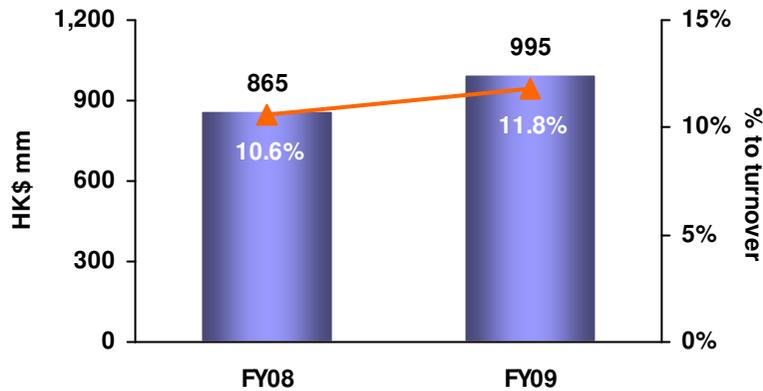
Cost of services provided



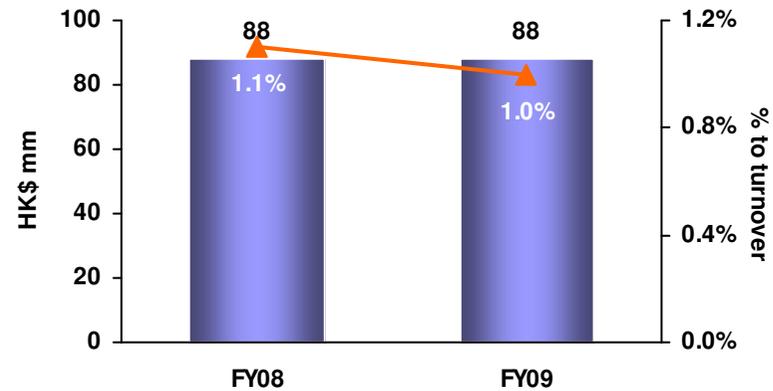
General, administrative and distribution costs



Operating lease rental expenses

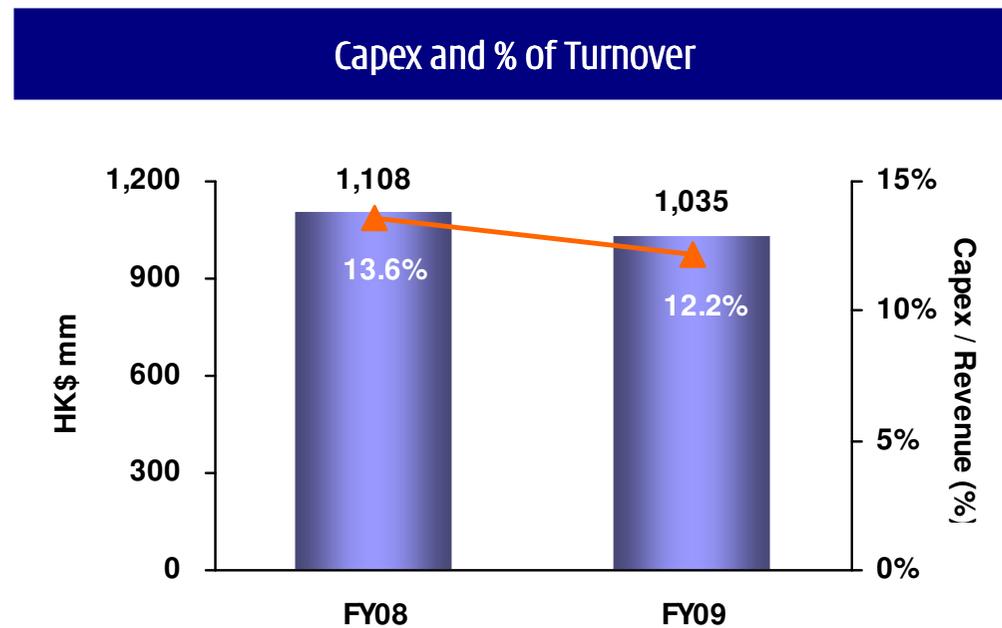


Doubtful debt expenses



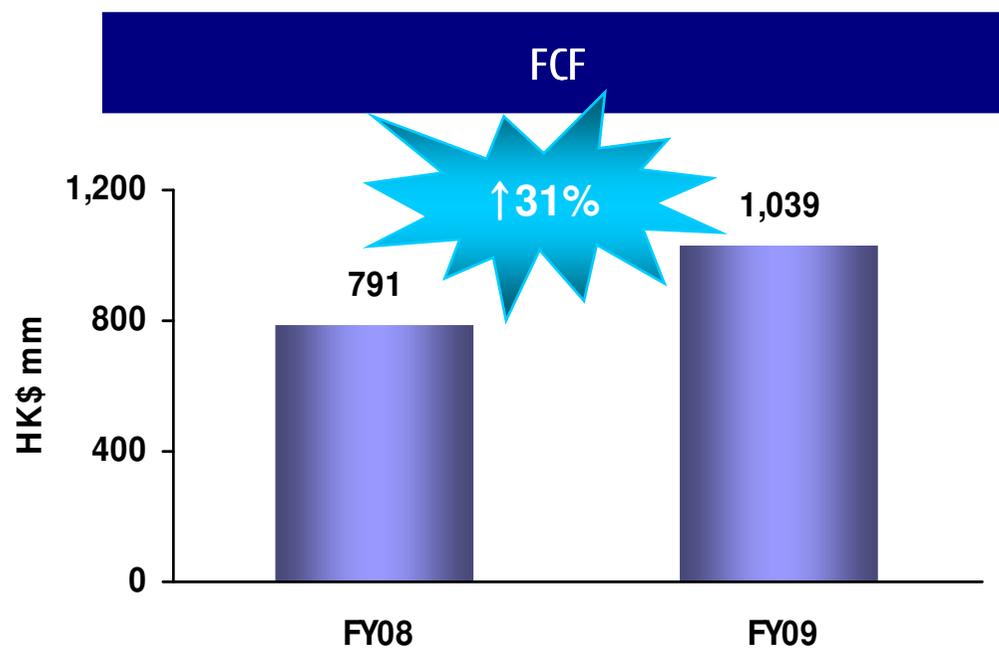
Capex

- Revenue driven Capex investment and scheduled network modernisation



Liquidity

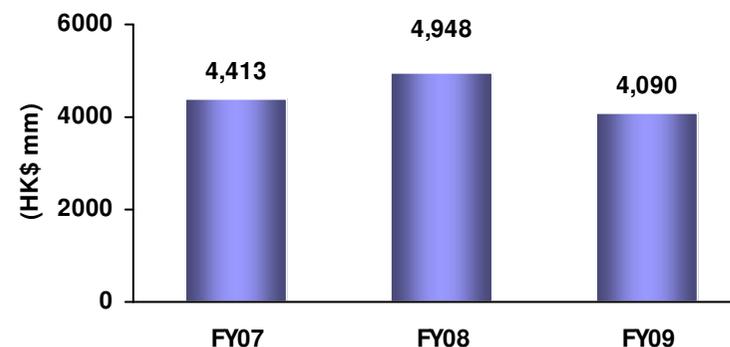
- Strong FCF to meet future liquidity needs



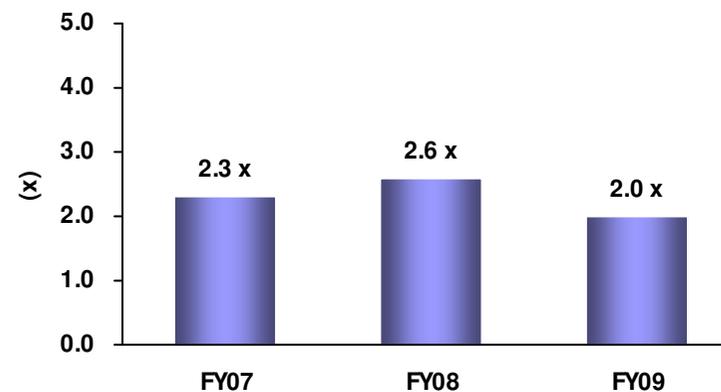
Managing financial position

- Leverage ratio = 2
- 3-year HK\$5B bank facilities arranged in Dec 2009 with more favourable terms

Net Debt



Net Debt / LTM EBITDA



Outlook

Outlook

Well positioned to explore and capitalise on opportunities generated by upwardly-spiraling demand for bandwidth and increasing appetite for mobile data services.

- **Bandwidth and Data**
- **Solid growth, delivering value**

Q & A

Thank You