

Hutchison Telecom
Hong Kong Holdings

Hutchison Telecommunications
Hong Kong Holdings Limited
(Stock Code: 215)

2010 Interim Results

2 August 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

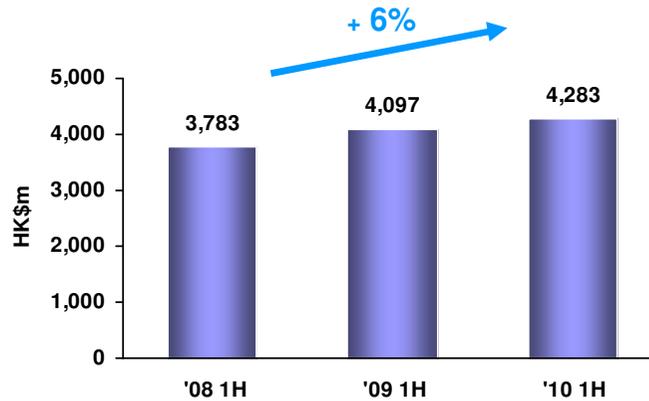
- 1 Consolidated turnover up 5% to HK\$4,283m
- 2 Mobile Business:

<i>Turnover</i>	<i>HK\$2,831m</i>
<i>Operating Profit</i>	<i>HK\$361m</i>
- 3 Fixed-Line Business:

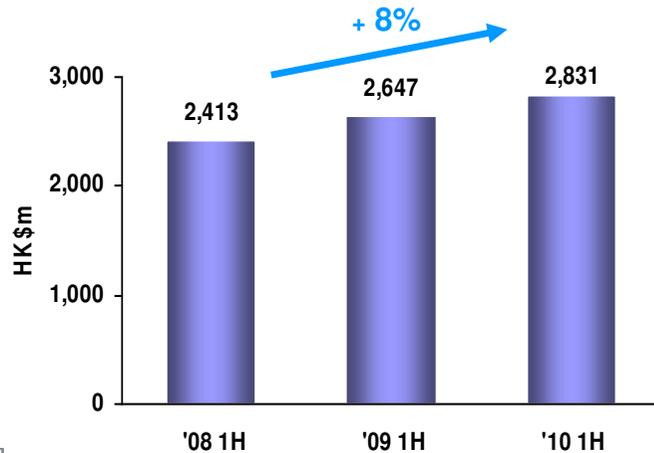
<i>Turnover</i>	<i>HK\$1,630m</i>
<i>Operating Profit</i>	<i>HK\$226m</i>
- 4 Profit attributable to equity holders up 41% to HK\$361m
- 5 Interim dividend per share at 3.32 (2009:1.12) HK cents

1 Turnover

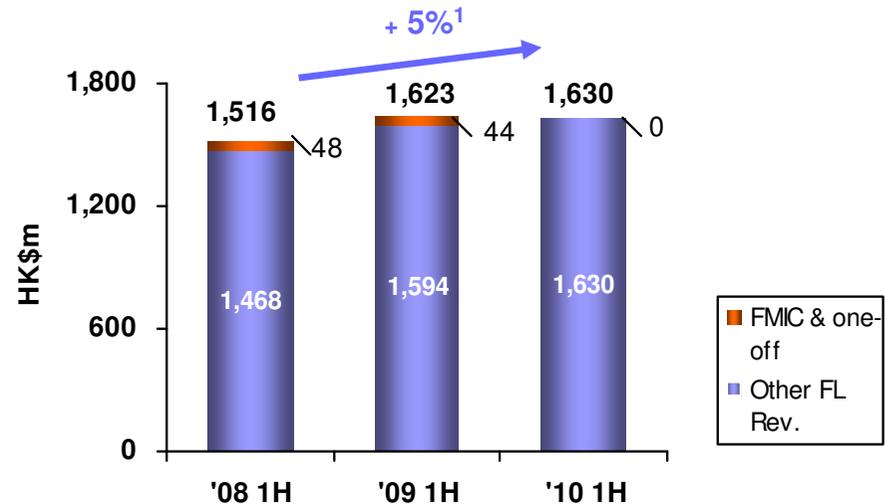
Consolidated turnover



Mobile business turnover

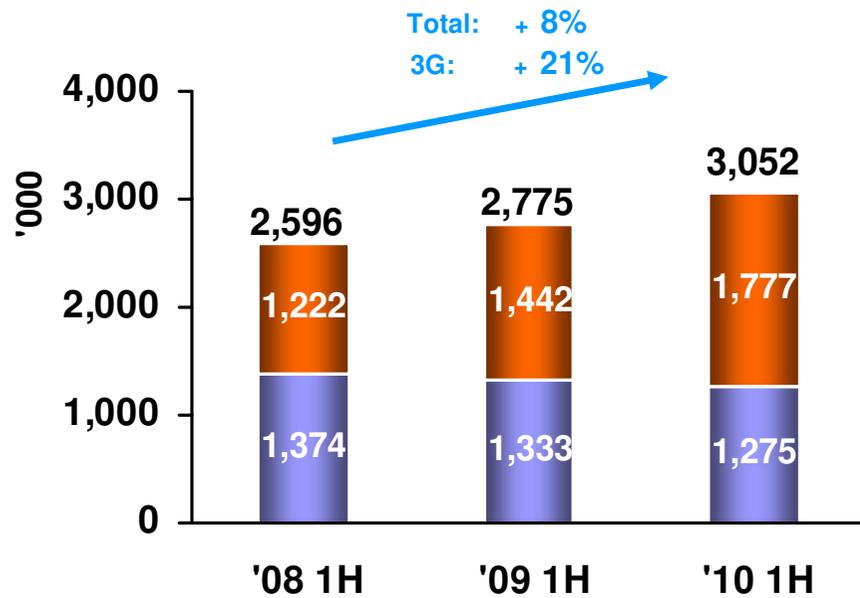


Fixed – line business turnover

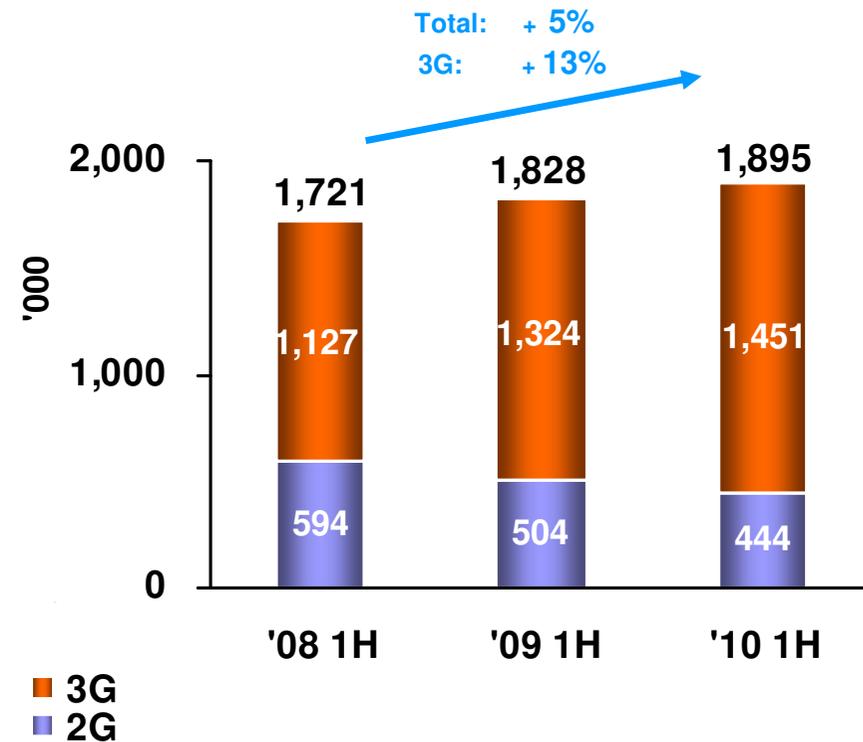


2 Mobile - customers

Total customers



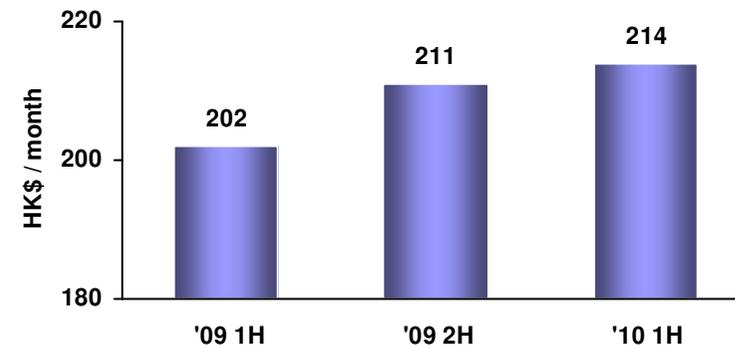
Postpaid customers



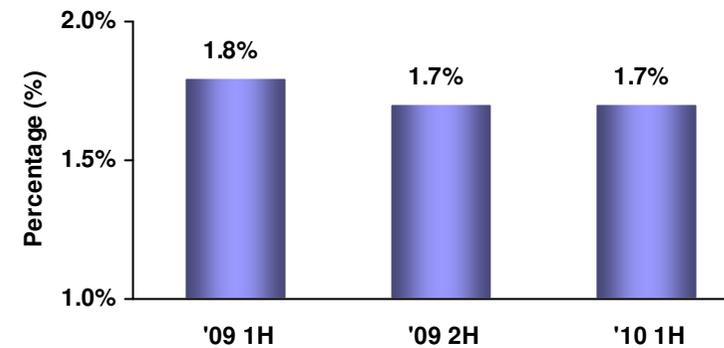
2 Mobile - KPIs

- Steady growth in postpaid ARPU and stable Churn

Postpaid ARPU



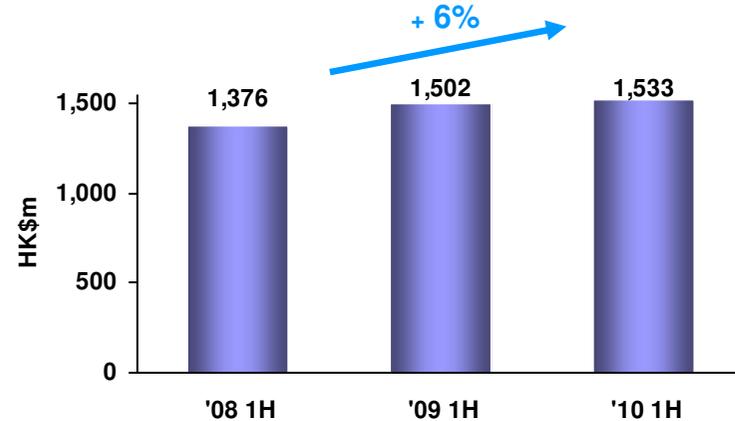
Postpaid Churn



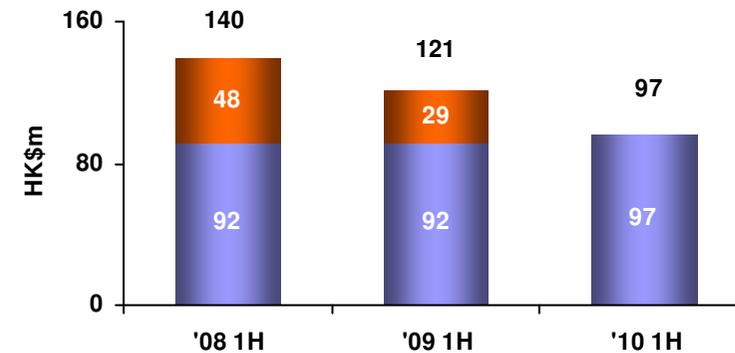
3 Fixed-line

- Steady growth in Carrier, Business, and Residential markets

Carrier, Business and Residential



Others

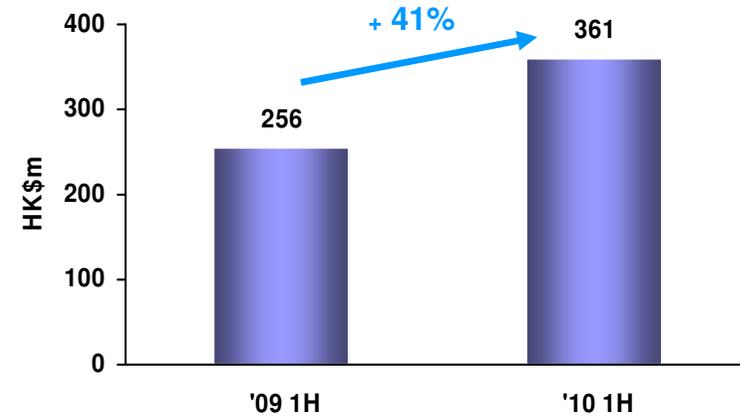


- Effect on FMIC

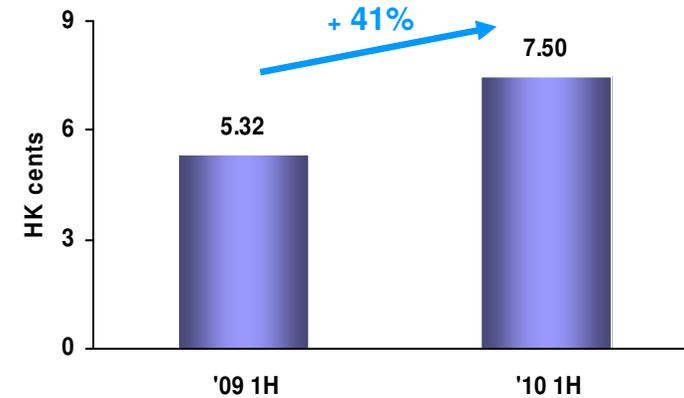
4 Profit attributable to equity holders and EPS

- Strong growth of 41%

Profit attributable to equity holders



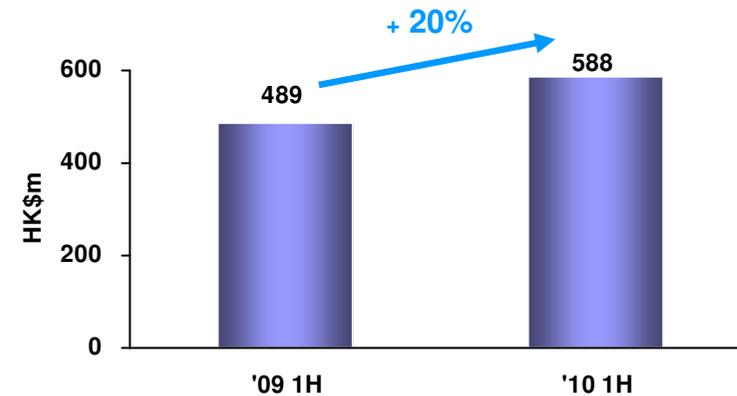
Earnings per Share



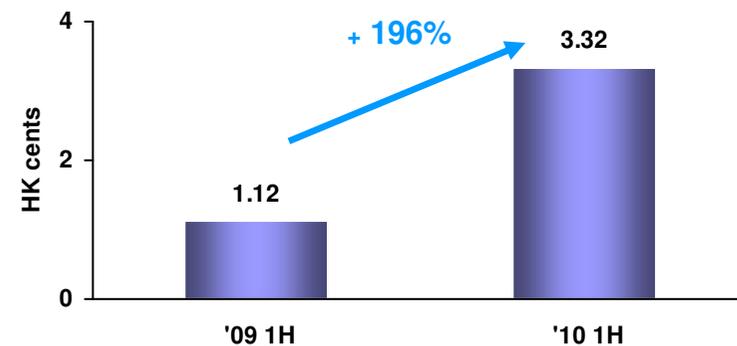
5 Deliver value to equity holders

- Strong liquidity
- Steady and sustainable growth in dividend

EBITDA - CAPEX



Interim Dividend



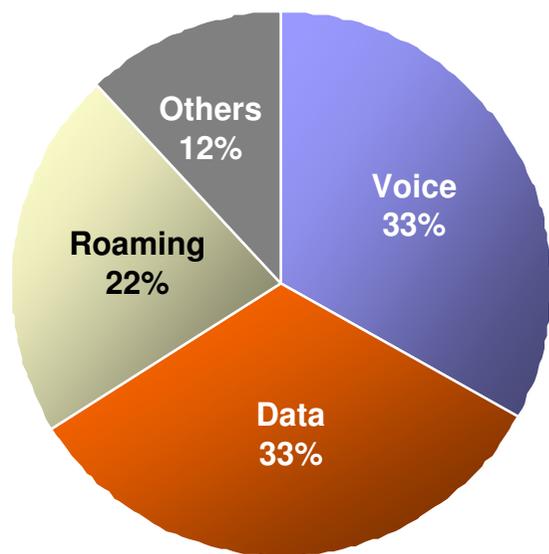
Financial Overview

Financial Highlights

	'10 1H (HK\$m)	'09 1H (HK\$m)
Turnover	4,283	4,097
Cost of inventories sold	(298)	(279)
Staff costs	(314)	(310)
Depreciation and amortisation	(532)	(650)
Other operating expenses	(2,595)	(2,459)
Operating profit	544	399
Interest income	2	-
Interest and other finance costs	(64)	(73)
Share of results of jointly controlled entities	(21)	(8)
Profit before taxation	461	318
Taxation	(35)	(38)
Profit of the period	426	280
Attributable to:		
Equity holders of the company	361	256
Non controlling interests	65	24
	426	280

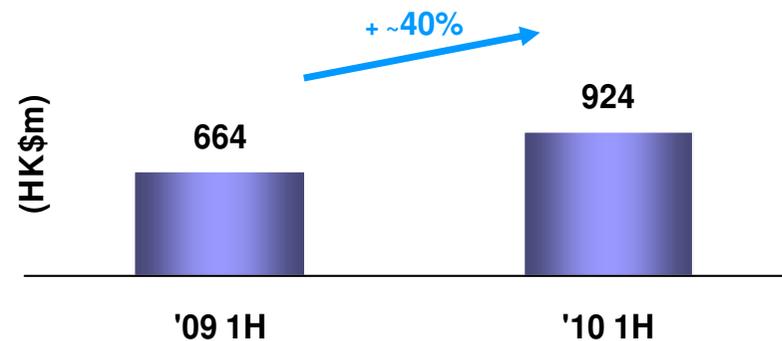
Turnover – mobile business

2010 1H Turnover analysis by segments



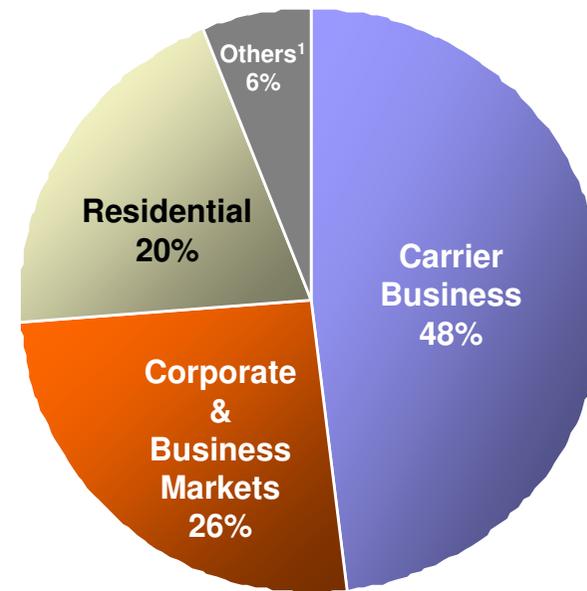
Total: HK\$2,831m

Data revenue



Turnover - Fixed-line business

- Steady growth in Carrier, Corporate & Business and Residential markets during 1H 2010



Total: HK\$1,630m

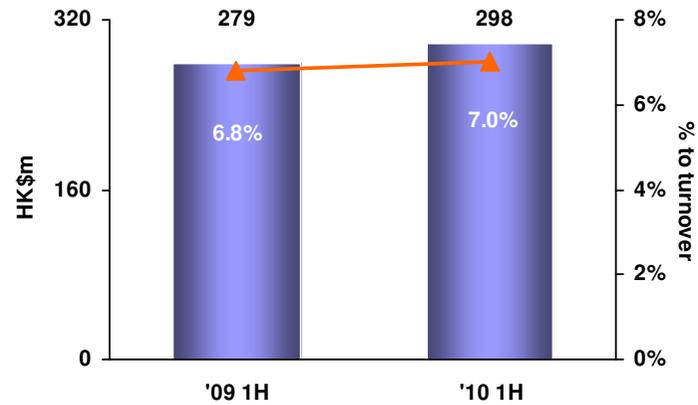
¹ Others include revenue from interconnection charges and data centers

Financial Highlights

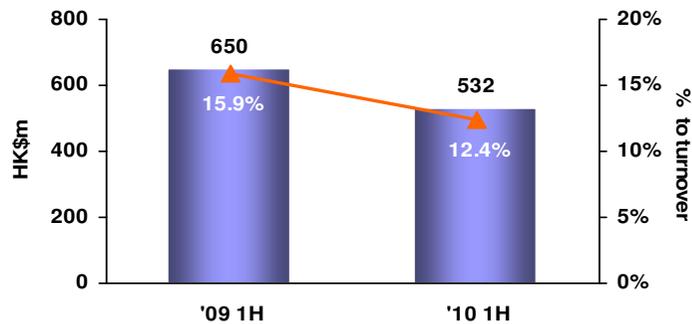
	'10 1H (HK\$m)	'09 1H (HK\$m)
Turnover	4,283	4,097
Cost of inventories sold	(298)	(279)
Staff costs	(314)	(310)
Depreciation and amortisation	(532)	(650)
Other operating expenses	(2,595)	(2,459)
Operating profit	544	399
Interest income	2	-
Interest and other finance costs	(64)	(73)
Share of results of jointly controlled entities	(21)	(8)
Profit before taxation	461	318
Taxation	(35)	(38)
Profit of the period	426	280
Attributable to:		
Equity holders of the company	361	256
Non controlling interests	65	24
	426	280

Key cost items

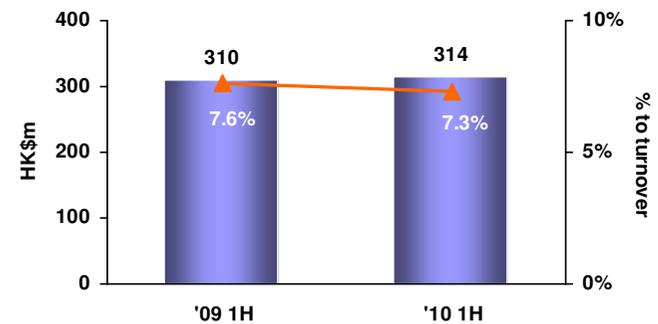
Cost of inventories sold



Depreciation and amortisation expenses



Staff costs

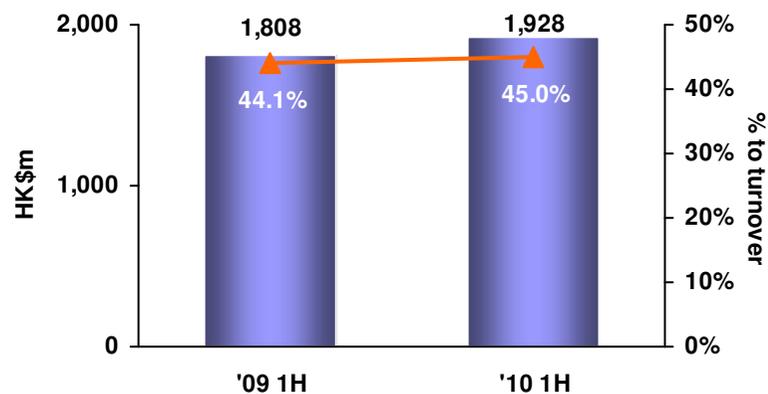


Financial Highlights

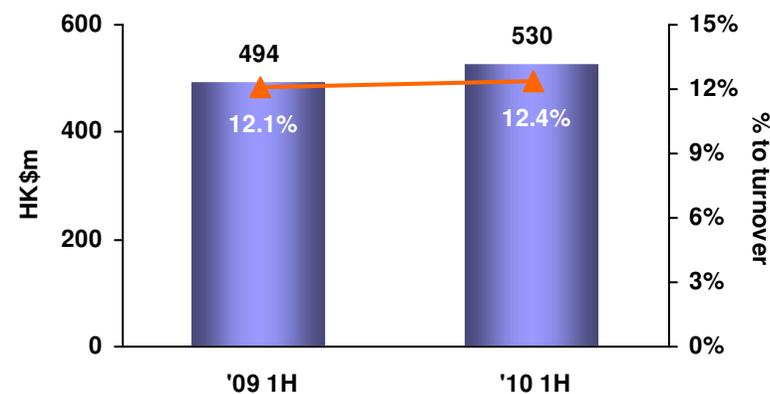
	'10 1H (HK\$m)	09 1H (HK\$m)
Turnover	4,283	4,097
Cost of inventories sold	(298)	(279)
Staff costs	(314)	(310)
Depreciation and amortisation	(532)	(650)
Other operating expenses	<u>(2,595)</u>	<u>(2,459)</u>
Operating profit	544	399
Interest income	2	-
Interest and other finance costs	<u>(64)</u>	<u>(73)</u>
Share of results of jointly controlled entities	<u>(21)</u>	<u>(8)</u>
Profit before taxation	461	318
Taxation	<u>(35)</u>	<u>(38)</u>
Profit of the period	<u><u>426</u></u>	<u><u>280</u></u>
Attributable to:		
Equity holders of the company	361	256
Non controlling interests	65	24
	<u><u>426</u></u>	<u><u>280</u></u>

Other operating expenses

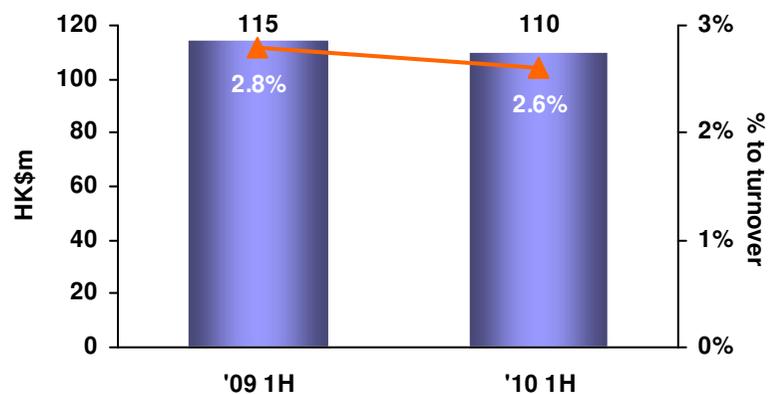
Cost of services provided



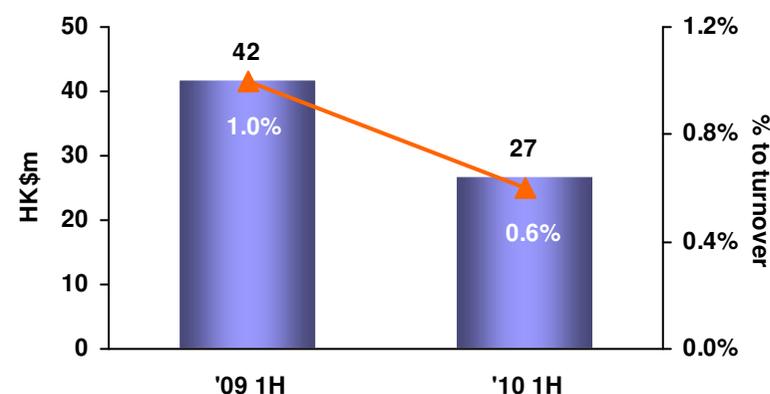
Operating lease rental expenses



General and administrative costs



Doubtful debt expenses



Finance Costs / Share of results of JCEs

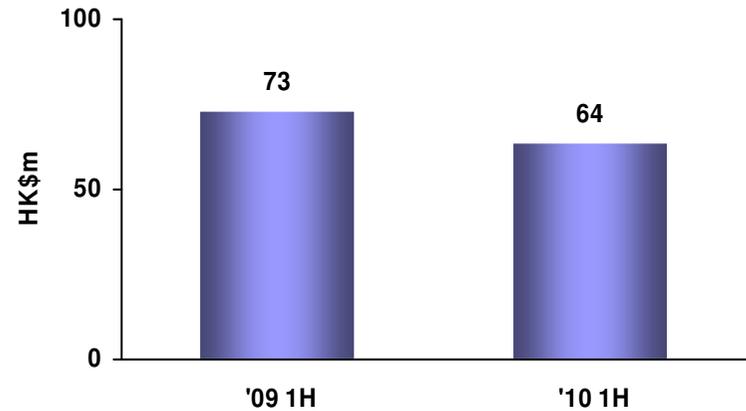
Finance Costs

Decrease as a result of drop in interest rate and improving financial position

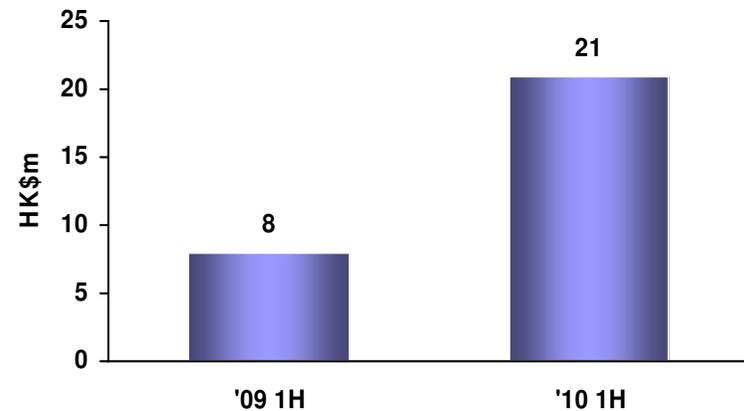
Share of results of JCEs

One-off provision on Italy MVNO business

Finance costs

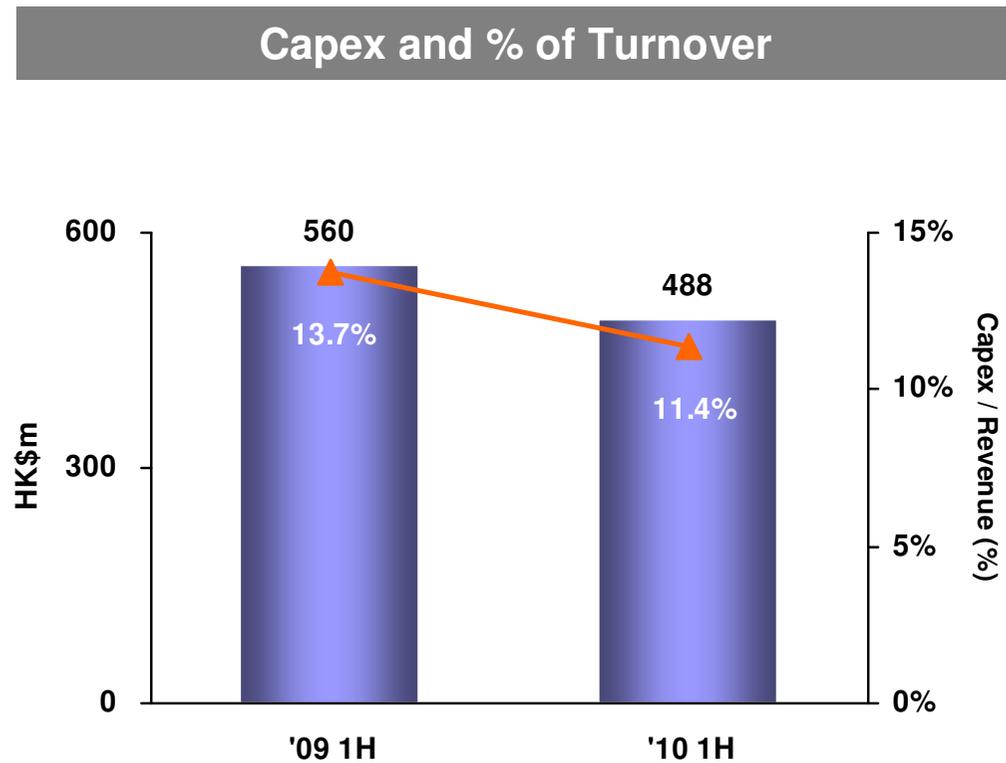


Share of results of JCEs



Capex

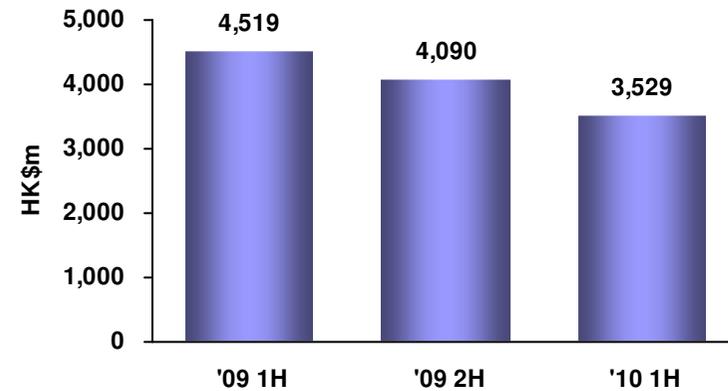
- Mainly revenue driven
- Broadband focus
- ~1.2B target



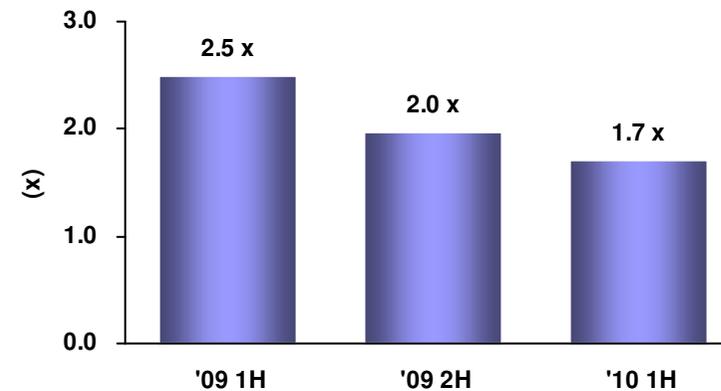
Managing financial position

- Leverage ratio at 1.7
- Undrawn facility of HK\$ 1.3B

Net Debt



Net Debt / LTM EBITDA



Outlook

Outlook

Well positioned to capture full benefits of data explosion

Outlook

- Reinforce market leadership
- Spectrum of advanced and innovative solutions
- 3ree Broadband – charting a new frontier in fixed-mobile convergence
- Striving for Excellence, Maximising value

Q & A

Thank You