

Operations Review

Consolidated Operating Results

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

The Group reported total revenue, including the Group's share of associated companies' and jointly controlled entities' revenue of HK\$241,862 million, a 33% increase over 2004. EBIT for the year from the established businesses, excluding investment properties revaluation profit and profit on disposal of investments, was HK\$38,514 million, a 17% increase over 2004. LBIT for the year for the 3 Group, excluding the profit on elimination of minority interests, was HK\$36,280 million, a 6% improvement over last year. The Group's consolidated total EBIT for the year was HK\$32,576 million, 71% above last year.

The profit attributable to shareholders for the year was HK\$14,343 million, which is 11% ahead of last year's amount of HK\$12,978 million. This profit comprises HK\$39,500 million (2004 - HK\$41,217 million) from the Group's established businesses, including a profit on disposal of investments of HK\$15,717 million (2004 - HK\$19,181 million), a 4% decrease over last year due to lower exceptional profit, and HK\$25,157 million of losses (2004 - HK\$28,239 million) from the 3 Group, an 11% improvement compared to 2004.

Financial Performance Summary

	2005 HK\$ millions	As restated ⁽¹⁾ 2004 HK\$ millions	Change	
Total revenue ⁽²⁾				
Ports and related services	29,917	26,980	+	11%
Property and hotels	10,265	9,117	+	13%
Retail	88,780	68,299	+	30%
Cheung Kong Infrastructure	16,590	14,792	+	12%
Husky Energy	22,879	17,524	+	31%
Finance & Investments and others	10,530	10,937	-	4%
Hutchison Telecommunications International	25,399	18,406	+	38%
3 Group	37,502	15,742	+	138%
Total	241,862	181,797	+	33%
EBIT ⁽²⁾				
Established businesses				
Ports and related services	10,219	8,956	+	14%
Property and hotels	3,939	3,003	+	31%
Retail	3,261	3,202	+	2%
Cheung Kong Infrastructure	6,675	5,921	+	13%
Husky Energy	6,140	2,793	+	120%
Finance & Investments and others	5,491	8,989	-	39%
Hutchison Telecommunications International	2,789	162	+	1,622%
EBIT before the following	38,514	33,026	+	17%
Change in fair value of investment properties	5,225	5,302	-	1%
Profit on disposal of investments and others	15,717	19,181	-	18%
EBIT of established businesses	59,456	57,509	+	3%
3 Group				
EBITDA/(LBITDA) before all CACs	1,825	(7,906)	+	123%
Prepaid CACs	(11,444)	(8,423)	-	36%
Reported LBITDA	(9,619)	(16,329)	+	41%
Depreciation and amortisation	(26,661)	(22,120)	-	21%
Profit on elimination of minority interests	9,400	-	-	-
LBIT of 3 Group	(26,880)	(38,449)	+	30%
TOTAL EBIT	32,576	19,060	+	71%
Interest expense and other finance costs	(18,156)	(13,547)	-	34%
Profit before taxation	14,420	5,513	+	162%
Taxation				
Current taxation	(4,119)	(3,776)	-	9%
Deferred taxation	3,253	4,398	-	26%
Profit after taxation	13,554	6,135	+	121%
Minority interests	789	6,843	-	88%
Profit attributable to shareholders	14,343	12,978	+	11%

(1) See Note 1 to the accounts

(2) The above information includes the Company, its subsidiary companies and its proportionate share of associated companies' and jointly controlled entities' respective items (see Note 7 to the accounts)