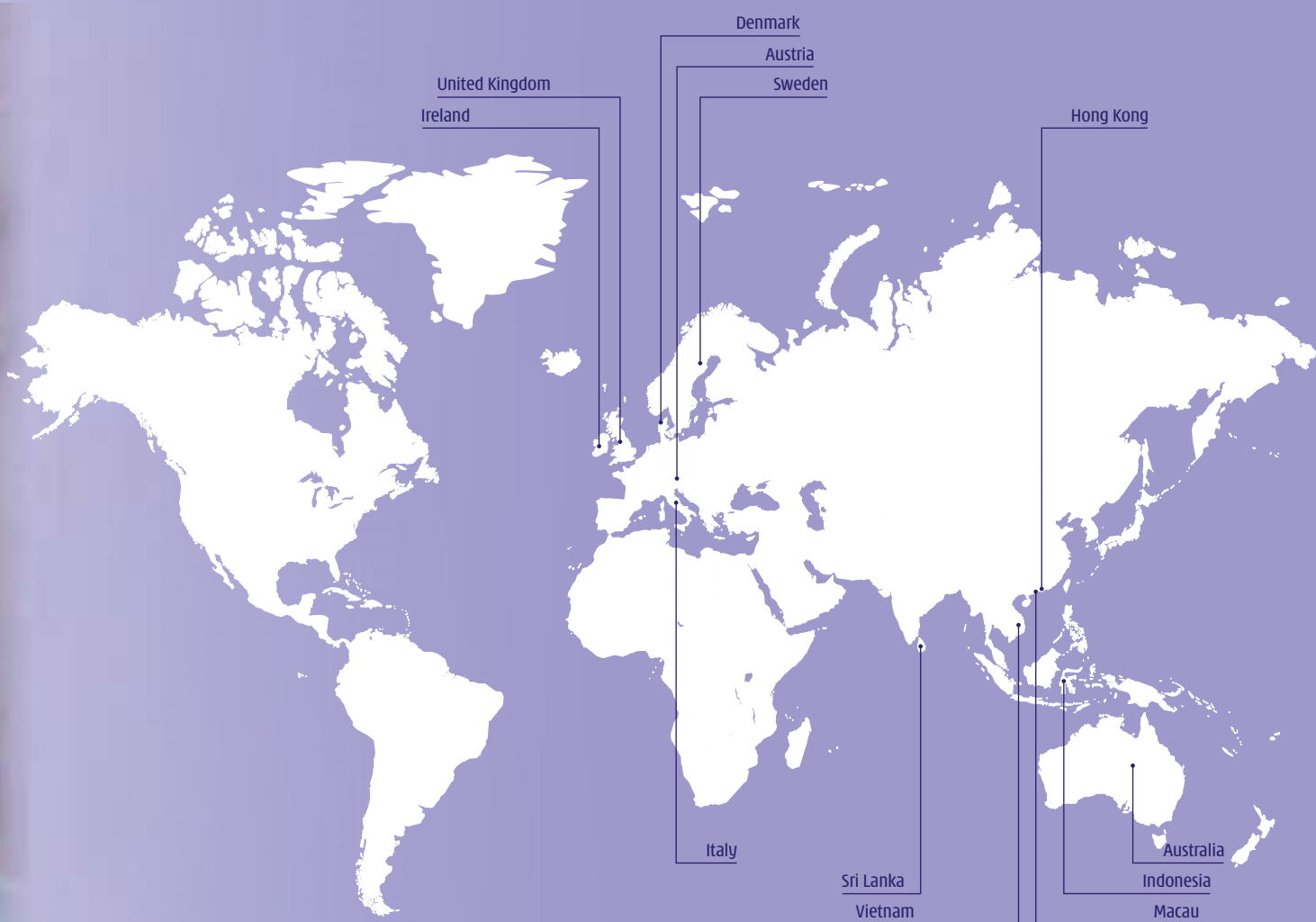


Telecommunications



3 Ireland completes its acquisition of Telefónica's O₂ business.



- 3 Group Europe's total revenue, EBITDA and EBIT increased 6%, 23% and 42% respectively.
- 3 Group Europe's active customer base totals over 25.0 million as at 31 December 2014.
- HTHKH announced profit attributable to shareholders of HK\$833 million, a 9% decrease over last year.
- HAT's LBITDA and LBIT of HK\$278 million and HK\$1,465 million respectively were adverse compared to last year.



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1. More Austrians are enjoying the 3 experience following the successful integration of Orange Austria.
2. Thousands of people flock to 3 Hong Kong's sales gala to get the latest smartphone.
3. 3 UK has been named number one operator for smartphone users for overall quality by YouGov and uSwitch.
4. 3 Macau has a wide array of exciting multi-media contents for its users.
5. 3 Group continues to expand its LTE network footprint.



The Group's telecommunications division consists of the 3 Group businesses in Europe ("3 Group Europe"), a 65.01% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), which is listed on the SEHK, Hutchison Asia Telecommunications ("HAT"), and an 87.87% interest in the Australian Securities Exchange listed HTAL. 3 Group Europe is a pioneer of high-speed mobile telecommunications and mobile broadband technologies with businesses in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau, as well as fixed-line operations in Hong Kong. HAT holds the Group's interests in the mobile operations in Indonesia, Vietnam and Sri Lanka. HTAL owns a 50% share in VHA.

Group Performance

3 Group Europe

	2014 HK\$ millions	2013 HK\$ millions	Change	Change in Local Currency
Total Revenue	65,623	61,976	+6%	+5%
- Net customer service revenue	49,480	45,536	+9%	+8%
- Handset revenue	14,372	15,062	-5%	
- Other revenue	1,771	1,378	+29%	
Net Customer Service Margin ⁽¹⁾	39,714	35,633	+11%	+11%
<i>Net customer service margin %</i>	80%	78%		
Other Margin	1,008	1,015	-1%	
Total CACs	(21,514)	(21,675)	+1%	
Less: Handset revenue	14,372	15,062	-5%	
Total CACs (net of handset revenue)	(7,142)	(6,613)	-8%	
Operating Expenses	(17,982)	(17,364)	-4%	
<i>Opex as a % of net customer service margin</i>	45%	49%		
EBITDA	15,598	12,671	+23%	+23%
<i>EBITDA Margin % ⁽²⁾</i>	30%	27%		
Depreciation & Amortisation	(8,706)	(7,815)	-11%	
EBIT	6,892	4,856	+42%	+42%
Capex (excluding licence)	(11,271)	(10,176)	-11%	
EBITDA less Capex	4,327	2,495	+73%	
Licence ⁽³⁾	(38)	(6,824)	+99%	

Note 1: Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs).

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

Note 3: Licence costs as at 31 December 2014 represent incidental costs in relation to licences acquired in the prior year.

3 Group Europe contributed 16%, 16% and 10% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

3 Group Europe's registered customer base grew 11% during the year to total over 29.5 million at 31 December 2014, while the active base grew 13% to total over 25.0 million and represented an 85% activity level. The proportion of contract customers as a percentage of the registered customer base has decreased marginally from 59% last year to 58% at the end of 2014. The revenue generated by contract customers accounted for approximately 84% of overall net customer service revenue, 3%-points lower than last year due to the higher contribution of the non-contract customers in the newly acquired businesses in Austria and Ireland and the increased focus on pre-paid non-contract customers in Italy during the year. Management continues to focus on managing churn and the average monthly customer churn rate of the contract customer base remained at 1.7% for a third consecutive year.

3 Group Europe's net ARPU decreased by 1% to €17.20 compared to 2013, primarily due to price competition in Italy and Denmark and the symmetrical interconnection rate reductions in various countries which has a minimal impact on net customer service margin. However, net customer service revenue increased 9% mainly due to the increase in active customers. Net AMPU increased by 1% to €13.82 mainly due to an increased proportion of higher margin data revenue, together with the enlarged customer base, resulted in an 11% net customer service margin increase.

3 Group Europe continued to capture market share in the smartphone and mobile data segments. The majority of the 3 Group Europe operations once again held a leading position in their respective country's smartphone and mobile broadband access segments during 2014. 4G (LTE) network rollouts continue to progress well providing good customer usage experiences at competitive prices.

At 31 December 2014, approximately 6.6 million customers, representing 22% of the total 3 Group Europe customer base, are mobile broadband access customers, in line with last year. Contract smartphone customers acquired in 2014 represented around 41% of the total contract customers acquired during the year. Total data usage exceeded 605 petabytes in 2014, an increase of 57% compared to last year. Data usage per active customer was approximately 25.4 gigabytes in 2014 compared to 18.2 gigabytes in 2013.

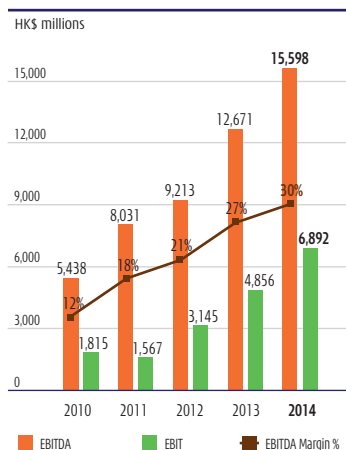
Total CACs, net of handset revenue in postpaid contract bundled plans, totalled HK\$7,142 million in 2014, 8% higher than in 2013, while operating expenses increased 4% to HK\$17,982 million.

EBITDA and EBIT growth reflected the enlarged customer base, improved net customer service margin, accretive contribution from 3 Ireland's acquisition of O₂ Ireland and continued realisation of post-merger cost synergies in 3 Austria.

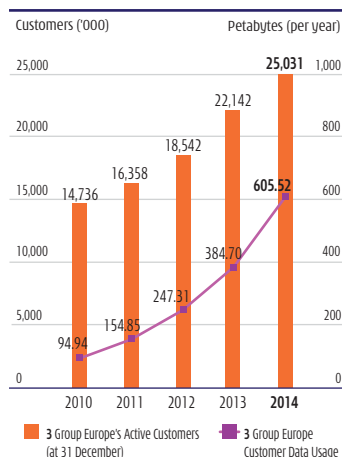
3 Group Europe continued to maintain sustainable growth contributions under a prudent capex management strategy resulting in EBITDA less capex increasing 73% to HK\$4,327 million in 2014.

In January 2015, the Group agreed to enter into exclusive negotiations with Telefónica, SA for the potential acquisition of O₂ UK, for an indicative price of £9.25 billion cash and deferred upside interest sharing payments of up to £1 billion upon achievement by the combined business of 3 UK and O₂ UK of agreed financial targets.

3 Group Europe - EBITDA & EBIT



3 Group Europe's Active Customers and Data Usage



Key Business Indicators

	Registered Customer Base					
	Registered Customers at 31 December 2014 ('000)			Registered Customer Growth (%) from 31 December 2013 to 31 December 2014		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
United Kingdom	4,225	6,061	10,286	+7%	+3%	+5%
Italy	4,977	5,063	10,040	-1%	+8%	+4%
Sweden	224	1,666	1,890	+40%	+9%	+12%
Denmark	374	752	1,126	+24%	+4%	+10%
Austria	1,101	2,501	3,602	+18%	—	+5%
Ireland ⁽⁴⁾	1,429	1,164	2,593	+134%	+232%	+170%
3 Group Europe Total	12,330	17,207	29,537	+12%	+10%	+11%

	Active ⁽⁵⁾ Customer Base					
	Active Customers at 31 December 2014 ('000)			Active Customer Growth (%) from 31 December 2013 to 31 December 2014		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
United Kingdom	2,483	5,931	8,414	+12%	+4%	+6%
Italy	3,812	4,952	8,764	+4%	+9%	+7%
Sweden	134	1,666	1,800	+46%	+9%	+11%
Denmark	338	752	1,090	+21%	+4%	+8%
Austria	436	2,475	2,911	+22%	—	+3%
Ireland ⁽⁶⁾	917	1,135	2,052	+287%	+265%	+274%
3 Group Europe Total	8,120	16,911	25,031	+18%	+11%	+13%

	2014	2013
Contract customers as a % of the total registered customer base	58%	59%
Contract customers' contribution to the net customer service revenue base (%)	84%	87%
Average monthly churn rate of the total contract registered customer base (%)	1.7%	1.7%
Active contract customers as a % of the total contract registered customer base	98%	98%
Active customers as a % of the total registered customer base	85%	83%

Note 4: Includes approximately 1.5 million registered customers added upon the acquisition of O₂ Ireland in July 2014.

Note 5: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note 6: Includes approximately 1.5 million active customers added upon the acquisition of O₂ Ireland in July 2014.

**12-month Trailing Average Revenue per Active User⁽⁷⁾ ("ARPU")
to 31 December 2014**

	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2013
United Kingdom	£5.30	£26.88	£20.81	—
Italy	€7.83	€18.23	€13.57	-8%
Sweden	SEK118.05	SEK300.00	SEK287.37	-3%
Denmark	DKK116.10	DKK169.25	DKK153.60	-11%
Austria	€8.22	€21.43	€19.66	-5%
Ireland	€16.47	€33.42	€25.85	-11%
3 Group Europe Average	€8.53	€26.59	€20.86	-1%

**12-month Trailing Net Average Revenue per Active User⁽⁸⁾ ("Net ARPU")
to 31 December 2014**

	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2013
United Kingdom	£5.30	£18.91	£15.08	—
Italy	€7.83	€18.23	€13.57	-8%
Sweden	SEK118.05	SEK216.11	SEK209.30	-1%
Denmark	DKK116.10	DKK156.03	DKK144.27	-10%
Austria	€8.22	€17.63	€16.37	-7%
Ireland	€16.47	€29.75	€23.82	-1%
3 Group Europe Average	€8.53	€21.24	€17.20	-1%

**12-month Trailing Net Average Margin per Active User⁽⁹⁾ ("Net AMPU")
to 31 December 2014**

	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2013
United Kingdom	£4.57	£15.02	£12.09	—
Italy	€6.10	€13.84	€10.37	-5%
Sweden	SEK93.54	SEK185.22	SEK178.86	+2%
Denmark	DKK99.31	DKK136.41	DKK125.48	-9%
Austria	€7.09	€14.47	€13.49	—
Ireland	€12.50	€25.05	€19.45	+3%
3 Group Europe Average	€6.87	€17.05	€13.82	+1%

Note 7: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in postpaid contract bundled plans, divided by the average number of active customers during the year.

Note 8: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid contract bundled plans, divided by the average number of active customers during the year.

Note 9: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid 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 year.

United Kingdom

	2014 GBP millions	2013 GBP millions	Change
Total Revenue	2,063	2,044	+1%
- Net customer service revenue	1,459	1,376	+6%
- Handset revenue	577	645	-11%
- Other revenue	27	23	+17%
Net Customer Service Margin	1,169	1,095	+7%
<i>Net customer service margin %</i>	<i>80%</i>	<i>80%</i>	
Other Margin	10	15	-33%
Total CACs	(807)	(917)	+12%
Less: Handset revenue	577	645	-11%
Total CACs (net of handset revenue)	(230)	(272)	+15%
Operating Expenses	(402)	(421)	+5%
<i>Opex as a % of net customer service margin</i>	<i>34%</i>	<i>38%</i>	
EBITDA	547	417	+31%
<i>EBITDA Margin %</i>	<i>37%</i>	<i>30%</i>	
Depreciation & Amortisation	(233)	(210)	-11%
EBIT	314	207	+52%
Capex (excluding licence)	(322)	(271)	-19%
EBITDA less Capex	225	146	+54%
Licence	(1)	(238)	+100%

	2014	2013
Total registered customer base (millions)	10.3	9.8
Total active customer base (millions)	8.4	7.9
Contract customers as a % of the total registered customer base	59%	60%
Contract customers' contribution to the net customer service revenue base (%)	90%	89%
Average monthly churn rate of the total contract registered customer base (%)	1.6%	1.6%
Active contract customers as a % of the total contract registered customer base	98%	97%
Active customers as a % of the total registered customer base	82%	81%

EBITDA of £547 million was 31% higher than 2013 mainly driven by improved net customer service margin arising from an enlarged customer base while net AMPU was in line with 2013. The net customer service margin in 2014 also benefited from the positive financial impact of the successful adoption of "Feel At Home", a popular roaming offering launched in late 2013, and an improved tariff mix, partly offset by a one-off provision for a dispute on fixed to mobile interconnection rates. Lower total CACs (net of handset revenue) and operating expenses also contributed to the higher EBITDA in 2014. These improvements were partly offset by higher depreciation and amortisation due to an increased number of sites and larger asset base, resulting in an EBIT of £314 million, an increase of 52% over last year.

Italy

	2014 EUR millions	2013 EUR millions	Change
Total Revenue	1,739	1,746	—
- Net customer service revenue	1,376	1,352	+2%
- Handset revenue	308	341	-10%
- Other revenue	55	53	+4%
Net Customer Service Margin	1,052	1,004	+5%
<i>Net customer service margin %</i>	<i>76%</i>	<i>74%</i>	
Other Margin	53	49	+8%
Total CACs	(551)	(519)	-6%
Less: Handset revenue	308	341	-10%
Total CACs (net of handset revenue)	(243)	(178)	-37%
Operating Expenses	(614)	(596)	-3%
<i>Opex as a % of net customer service margin</i>	<i>58%</i>	<i>59%</i>	
EBITDA	248	279	-11%
<i>EBITDA Margin %</i>	<i>17%</i>	<i>20%</i>	
Depreciation & Amortisation	(294)	(279)	-6%
(LBIT) EBIT	(46)	0.3	-15,433%
Capex (excluding licence)	(404)	(344)	-17%
EBITDA less Capex	(156)	(65)	-140%
Licence	(2)	(21)	+90%

	2014	2013
Total registered customer base (millions)	10.0	9.7
Total active customer base (millions)	8.8	8.2
Contract customers as a % of the total registered customer base	50%	48%
Contract customers' contribution to the net customer service revenue base (%)	74%	80%
Average monthly churn rate of the total contract registered customer base (%)	2.3%	2.3%
Active contract customers as a % of the total contract registered customer base	98%	97%
Active customers as a % of the total registered customer base	87%	85%

The Italian market's competitive environment continued to add pressure on 3 Italy's ability to grow its revenue base. Despite a 5% increase in net customer service margin, the higher operating expenses and higher total CACs (net of handset revenue) resulted in the operation reporting an 11% decrease in EBITDA to €248 million. LBIT of €46 million was adverse to the breakeven EBIT position in 2013 of €0.3 million, due to higher depreciation and amortisation as network enhancement continued.

Operations Review – Telecommunications

Sweden

	2014 SEK millions	2013 SEK millions	Change
Total Revenue	6,407	5,717	+12%
- Net customer service revenue	4,286	3,956	+8%
- Handset revenue	1,893	1,568	+21%
- Other revenue	228	193	+18%
Net Customer Service Margin	3,664	3,259	+12%
<i>Net customer service margin %</i>	<i>85%</i>	<i>82%</i>	
Other Margin	65	78	-17%
Total CACs	(2,543)	(2,096)	-21%
Less: Handset revenue	1,893	1,568	+21%
Total CACs (net of handset revenue)	(650)	(528)	-23%
Operating Expenses	(1,333)	(1,317)	-1%
<i>Opex as a % of net customer service margin</i>	<i>36%</i>	<i>40%</i>	
EBITDA	1,746	1,492	+17%
<i>EBITDA Margin %</i>	<i>39%</i>	<i>36%</i>	
Depreciation & Amortisation	(752)	(685)	-10%
EBIT	994	807	+23%
Capex	(790)	(856)	+8%
EBITDA less Capex	956	636	+50%

	2014	2013
Total registered customer base (millions)	1.9	1.7
Total active customer base (millions)	1.8	1.6
Contract customers as a % of the total registered customer base	88%	91%
Contract customers' contribution to the net customer service revenue base (%)	96%	97%
Average monthly churn rate of the total contract registered customer base (%)	1.4%	1.4%
Active contract customers as a % of the total contract registered customer base	100%	100%
Active customers as a % of the total registered customer base	95%	96%

In Sweden, where the Group has a 60% interest, EBITDA and EBIT of SEK1,746 million and SEK994 million increased 17% and 23% respectively from 2013, due to the successful transition to data centric business model in its customer base at the end of 2013, as well as an 11% enlarged active customer base and 2% increase in net AMPU. These improvements were partly offset by 23% increase in total CACs (net of handset revenue) due to higher commissions and 1% increase in operating expenses.

Denmark

	2014 DKK millions	2013 DKK millions	Change
Total Revenue	2,046	1,998	+2%
- Net customer service revenue	1,799	1,772	+2%
- Handset revenue	178	153	+16%
- Other revenue	69	73	-5%
Net Customer Service Margin	1,566	1,526	+3%
<i>Net customer service margin %</i>	<i>87%</i>	<i>86%</i>	
Other Margin	32	44	-27%
Total CACs	(416)	(385)	-8%
Less: Handset revenue	178	153	+16%
Total CACs (net of handset revenue)	(238)	(232)	-3%
Operating Expenses	(626)	(626)	-
<i>Opex as a % of net customer service margin</i>	<i>40%</i>	<i>41%</i>	
EBITDA	734	712	+3%
<i>EBITDA Margin %</i>	<i>39%</i>	<i>39%</i>	
Depreciation & Amortisation	(309)	(292)	-6%
EBIT	425	420	+1%
Capex	(187)	(252)	+26%
EBITDA less Capex	547	460	+19%

	2014	2013
Total registered customer base (millions)	1.1	1.0
Total active customer base (millions)	1.1	1.0
Contract customers as a % of the total registered customer base	67%	71%
Contract customers' contribution to the net customer service revenue base (%)	76%	77%
Average monthly churn rate of the total contract registered customer base (%)	2.7%	2.4%
Active contract customers as a % of the total contract registered customer base	100%	100%
Active customers as a % of the total registered customer base	97%	98%

In Denmark, where the Group has a 60% interest, recorded a 3% increase of EBITDA to DKK734 million. The EBITDA growth is in line with the improvement on net customer service margin, which was driven by an 8% increase in the active customer base, partly offset by a 9% lower net AMPU due to keen market competition. The improvement in EBITDA was partly offset by higher depreciation and amortisation, resulting in 1% increase in EBIT to DKK425 million in 2014.

Operations Review – Telecommunications

Austria

	2014 EUR millions	2013 EUR millions	Change
Total Revenue	686	745	-8%
- Net customer service revenue	564	596	-5%
- Handset revenue	99	129	-23%
- Other revenue	23	20	+15%
Net Customer Service Margin	464	459	+1%
<i>Net customer service margin %</i>	82%	77%	
Other Margin	17	18	-6%
Total CACs	(123)	(162)	+24%
Less: Handset revenue	99	129	-23%
Total CACs (net of handset revenue)	(24)	(33)	+27%
Operating Expenses	(212)	(262)	+19%
<i>Opex as a % of net customer service margin</i>	46%	57%	
EBITDA	245	182	+35%
<i>EBITDA Margin %</i>	42%	30%	
Depreciation & Amortisation	(75)	(76)	+1%
EBIT	170	106	+60%
Capex (excluding licence)	(135)	(117)	-15%
EBITDA less Capex	110	65	+69%
Licence	–	(331)	+100%

	2014	2013
Total registered customer base (millions)	3.6	3.4
Total active customer base (millions)	2.9	2.8
Contract customers as a % of the total registered customer base	69%	73%
Contract customers' contribution to the net customer service revenue base (%)	93%	94%
Average monthly churn rate of the total contract registered customer base (%)	0.6%	0.7%
Active contract customers as a % of the total contract registered customer base	99%	99%
Active customers as a % of the total registered customer base	81%	83%

Despite a reduction in net customer service revenue of 5% mainly from the reduction in the symmetrical interconnection rates, net customer service margin improved 1% against last year as the interconnection rate reduction has minimal margin impact.

EBITDA and EBIT of €245 million and €170 million increased 35% and 60% respectively from 2013 mainly due to the realisation of additional cost synergies following the completion of Orange Austria acquisition in January 2013.

Ireland

	2014 EUR millions	2013 EUR millions	Change
Total Revenue	436	180	+142%
- Net customer service revenue	358	149	+140%
- Handset revenue	47	30	+57%
- Other revenue	31	1	+3,000%
Net Customer Service Margin	292	116	+152%
<i>Net customer service margin %</i>	82%	78%	
Other Margin	6	—	N/A
Total CACs	(87)	(48)	-81%
Less: Handset revenue	47	30	+57%
Total CACs (net of handset revenue)	(40)	(18)	-122%
Operating Expenses	(194)	(90)	-116%
<i>Opex as a % of net customer service margin</i>	66%	78%	
EBITDA	64	8	+700%
<i>EBITDA Margin %</i>	16%	5%	
Depreciation & Amortisation	(64)	(37)	-73%
EBIT (LBIT)	0.1	(29)	+100%
Capex (excluding licence)	(126)	(47)	-168%
EBITDA less Capex	(62)	(39)	-59%
Licence	—	(25)	+100%

	2014	2013
Total registered customer base	2,593,000	961,000
Total active customer base	2,052,000	548,000
Contract customers as a % of the total registered customer base	45%	37%
Contract customers' contribution to the net customer service revenue base (%)	69%	75%
Average monthly churn rate of the total contract registered customer base (%)	1.5%	1.2%
Active contract customers as a % of the total contract registered customer base	98%	89%
Active customers as a % of the total registered customer base	79%	57%

EBITDA of €64 million and the breakeven EBIT of €0.1 million were 700% and 100% higher than 2013 respectively due to the incremental contribution following the completion of O₂ Ireland acquisition in July 2014, which added 1.5 million customers to 3 Ireland's customer base. Realisation of post-merger cost synergy is expected in 2015, which will further enhance 3 Group Europe's contribution to the Group's results.

Hutchison Telecommunications Hong Kong Holdings

	2014 HK\$ millions	2013 HK\$ millions	Change
Total Revenue	16,296	12,777	+28%
EBITDA	2,780	2,758	+1%
EBIT	1,380	1,367	+1%
Total active customer base ('000)	3,197	3,771	-15%

HCHK announced its 2014 turnover of HK\$16,296 million and profit attributable to shareholders of HK\$833 million, a 28% increase and a 9% decrease respectively over last year. EBITDA of HK\$2,780 million and EBIT of HK\$1,380 million are comparable to 2013. The weaker year-on-year performance is due to keen price competition in the first half of 2014. During the second half of 2014, the mobile business has improved its performance in a more rational market after the Hong Kong mobile market consolidated to a four-player market and also due to the launch of popular handsets. The EBITDA and EBIT of HCHK for the second half of 2014 is a 26% and 57% improvement against the first half of 2014 and a 24% and 58% improvement against the second half of 2013 respectively. The fixed-line telecommunications business in Hong Kong continues to achieve steady growth, primarily from the international and local carrier segment as well as from the corporate and business segments. HCHK contributed 4% to total revenue, 3% to EBITDA, and 2% to the EBIT of the Group's businesses.

Hutchison Asia Telecommunications

	2014 HK\$ millions	2013 HK\$ millions	Change
Total Revenue	5,757	6,295	-9%
(LBITDA) EBITDA	(278)	819	-134%
LBIT	(1,465)	(409)	-258%
Total active customer base ('000)	54,454	43,497	+25%

The adverse performance and the change from a positive EBITDA of HK\$502 million reported for the first half to a LBITDA for the second half of HK\$780 million and HK\$278 million for the full year, were mainly due to charges in the year of approximately HK\$1.1 billion relating to inappropriate dealer credit and commissioning practices in the Indonesian operation. LBITDA and LBIT in 2014 include compensation contributions of HK\$238 million, a lower contribution compared to HK\$717 million in 2013. HAT contributed 1%, negative 0.3% and negative 2% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

In Indonesia, the active customer base at the end of 2014 increased 35% from last year to approximately 43.1 million customers. Despite the increase in customer base, the poor performances in LBITDA and LBIT were due to the reasons mentioned above. Senior management of the Indonesian operation has been replaced and strengthened internal controls put in place to re-focus the business on operational and trade practice improvements.

In Vietnam, the active customer base at the end of 2014 decreased by 5% over last year to approximately 9.4 million due to increased competition. The division's strategy is to manage the business to return and reduce investment cost and to convert from a business co-operation venture to a joint stock company when conditions are conducive.

In Sri Lanka, the active customer base increased by 25% compared to last year to approximately 2.0 million at the end of 2014, with slight improvements in underlying LBITDA and LBIT.

HTAL, share of VHA

	2014 AUD millions	2013 AUD millions	Change
Announced Total Revenue	1,748	1,776	-2%
Announced Loss Attributable to Shareholders	(286)	(230)	-24%

HTAL announced total revenue from its share of 50% owned associated company, VHA, of A\$1,748 million, a 2% decrease over last year. The loss attributable to shareholders increased by 24% to A\$286 million, primarily due to the accelerated depreciation on certain network assets in light of the strategic plan to build an expanded and more resilient network. Excluding this one-off charge, the underlying loss attributable to shareholders improved 7% compared to 2013. Despite the reported losses, VHA achieved breakeven unlevered operating free cash flow before spectrum payments in 2014, reflecting improved working capital and capex management. This encouraging achievement demonstrated VHA management's continued focus on turning the company around to profitability.

VHA's active customer base remained stable at approximately 5.3 million (including MVNOS) at 31 December 2014, with customer growth in the second half of 2014. With the continued geographic expansion of the network and an increased retail presence across Australia, VHA will build on and continue to grow its customer base.

VHA Net Customers Additions

