



Hutchison Telecom
Hong Kong Holdings

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

2013 Interim Results Presentation

31 July 2013



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 the beliefs and expectations of HTHKH, are forward-looking statements. These statements are based on current plans, estimates and projections, and undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and HTHKH has no obligation to update any of them publicly in light of new information or future events. Forward-looking statements involve inherent risks, uncertainties and assumptions. HTHKH cautions 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, actual results of HTHKH 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 amortisation and share of results of joint ventures) 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.

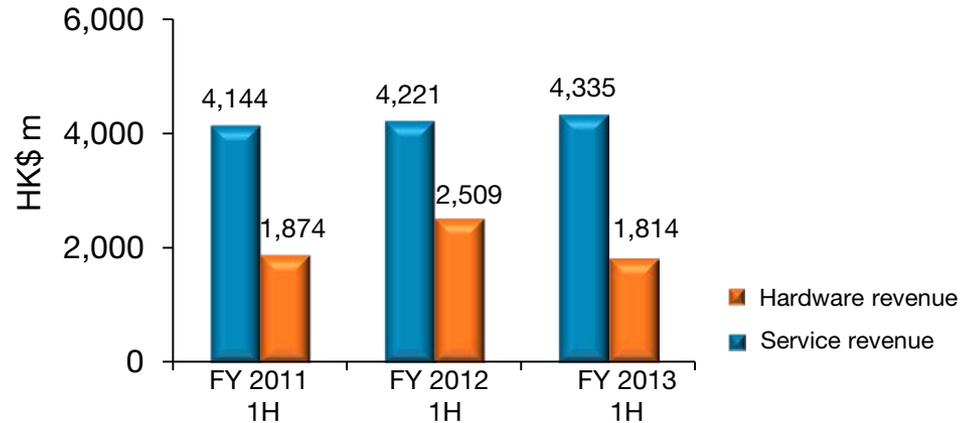
Business Performance

Highlights

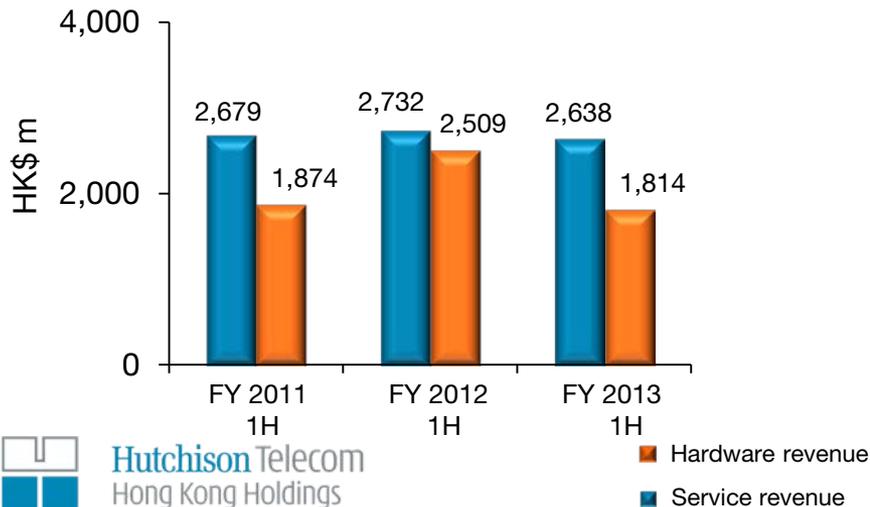
	2013 1H	2012 1H (Restated)	
	HK\$ millions	HK\$ millions	
Consolidated Turnover	6,149	6,730	-9%
Consolidated EBITDA	1,471	1,440	+2%
Consolidated EBIT	820	795	+3%
Net Profit¹	572	562	+2%
Earnings per share	11.87 HK cents	11.66 HK cents	+2%
Interim Dividend per share	6.25 HK cents	6.05 HK cents	+3%

Turnover

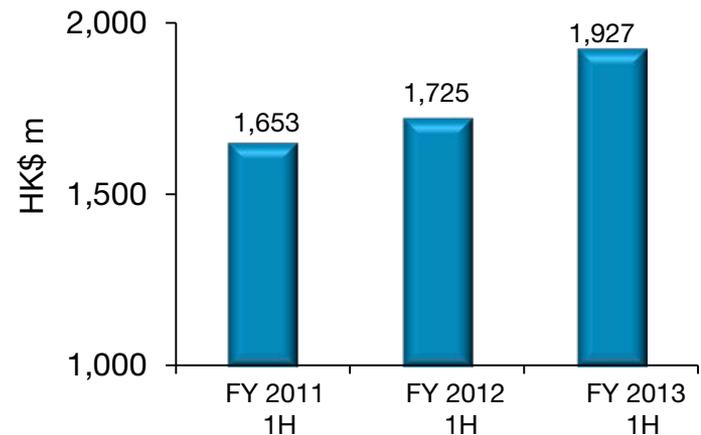
Consolidated turnover



Mobile business turnover



Fixed-line business turnover

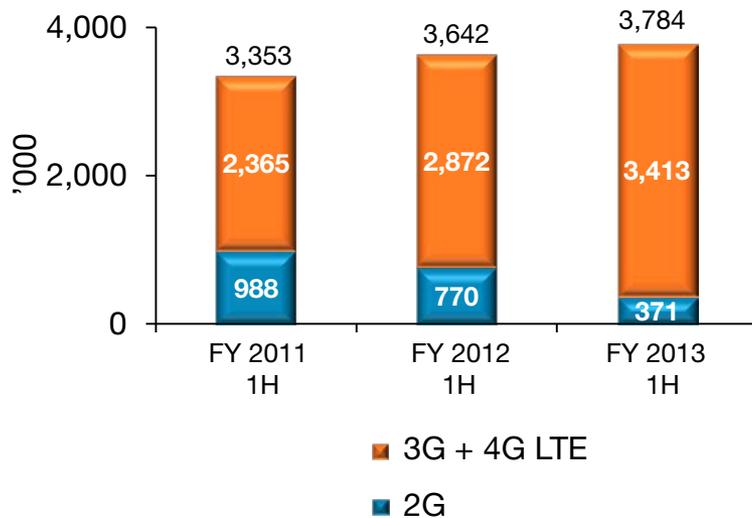


Mobile

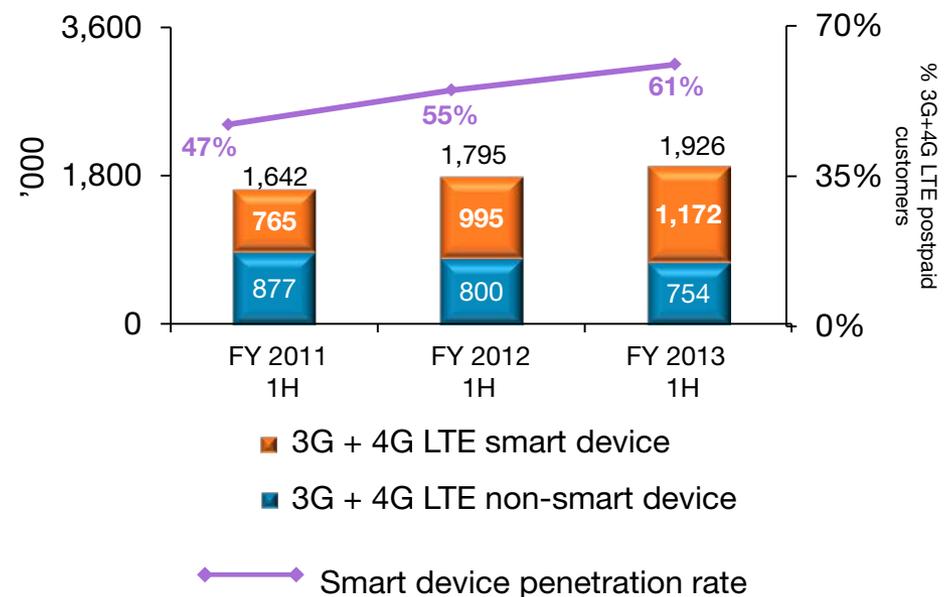


Quality customer base

Total subscribers*



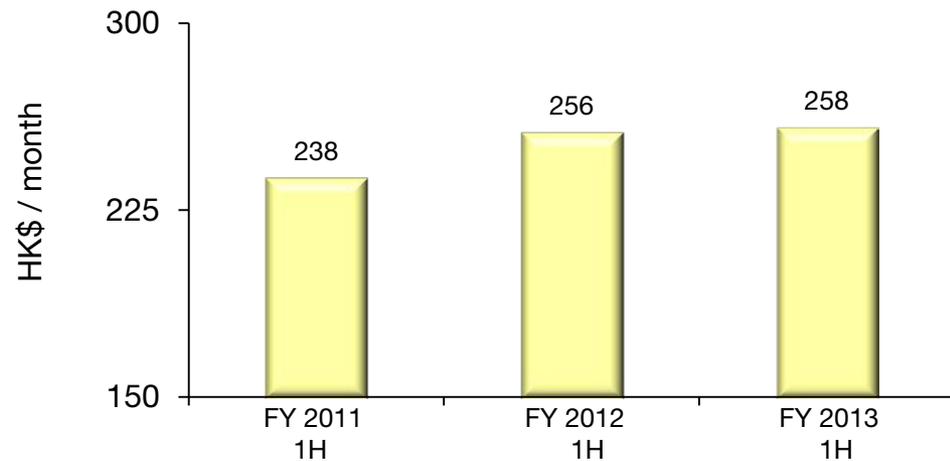
3G+4G LTE Postpaid subscribers*



ARPU

- ◆ Steady growing ARPU

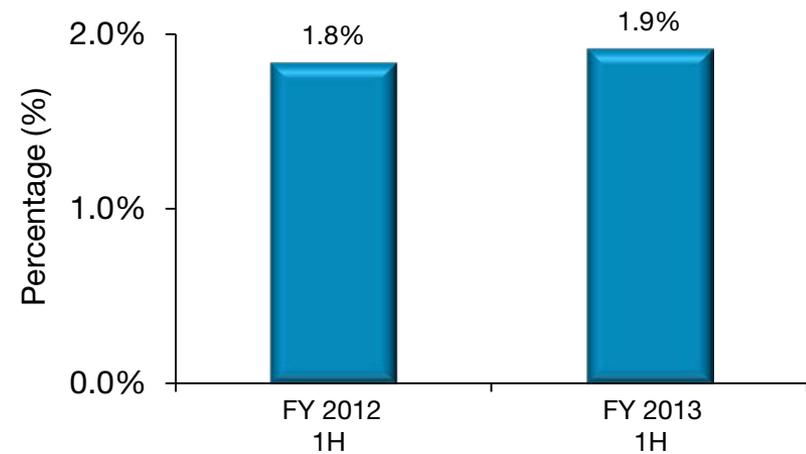
Blended Postpaid Gross ARPU*



Churn

- ◆ Low and stable

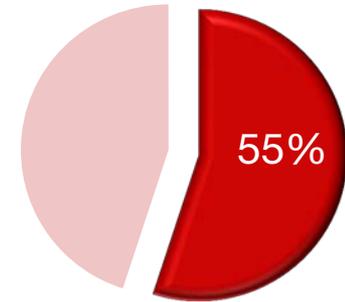
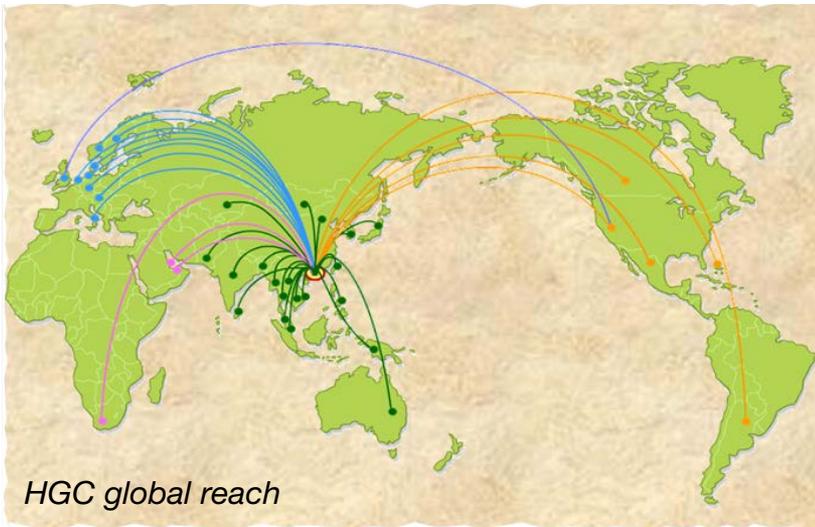
Postpaid Churn*



Fixed-line



International & Local Carrier market



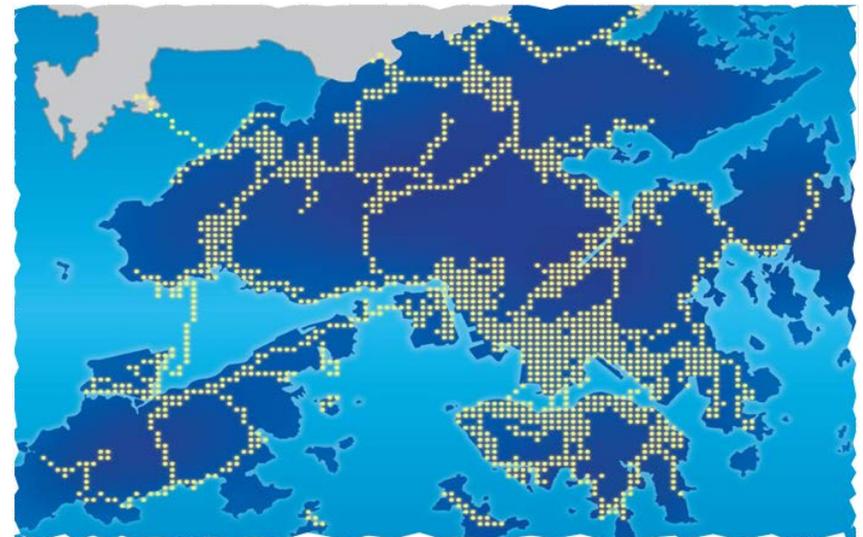
Contribution to fixed-line revenue

◆ International service

- International Private Leased Circuit (IPLC)
- Global Ethernet Private Line (GEPL)
- Internet Protocol Virtual Private Network (IPVPN)

◆ Local data service

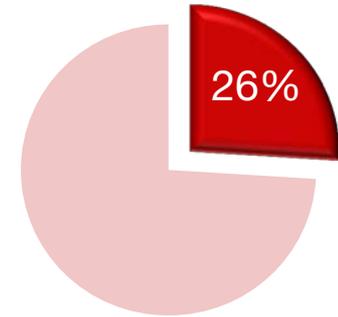
- Metro Ethernet
- DWDM



Local fixed-line coverage

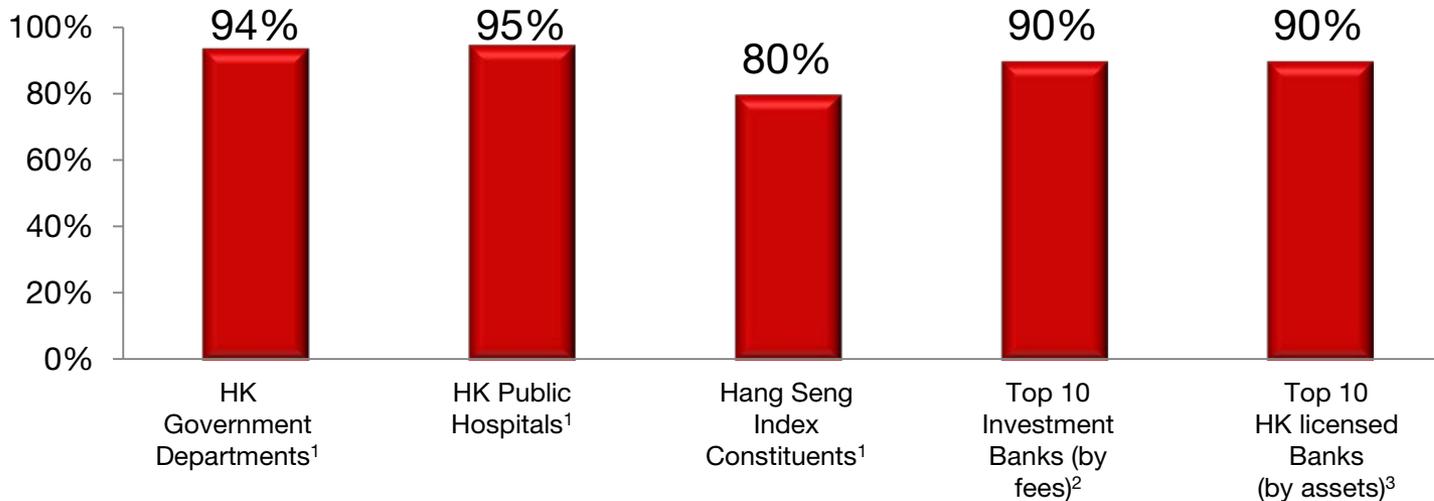
Corporate and SME market

- ◆ Solid market position



Contribution to fixed-line revenue

Market penetration in various sectors

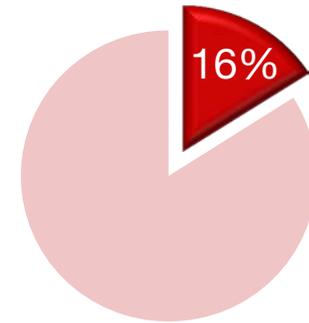


Source:

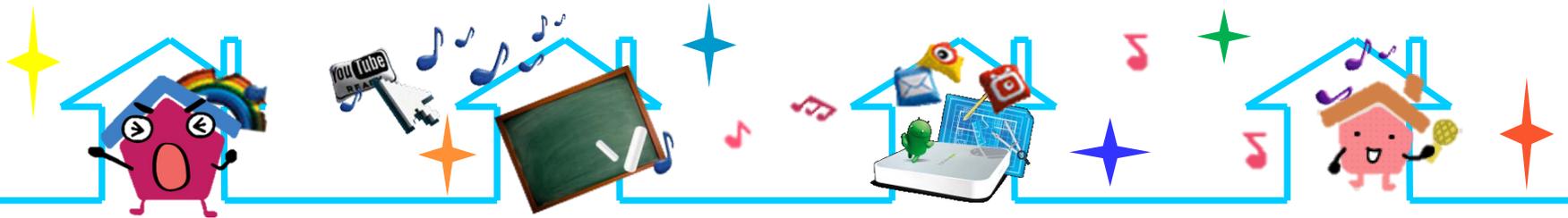
1. Derived from number of serviced entities in that specific category
2. Thomson Reuters 2013 Q1 Review
3. KPMG Financial Institutions Performance Survey Review 2012

Residential market

- ◆ 70% HK homepass
- ◆ Launched 1G FTTB in 2010
- ◆ Full range home entertainment offerings
- ◆ Home cloud

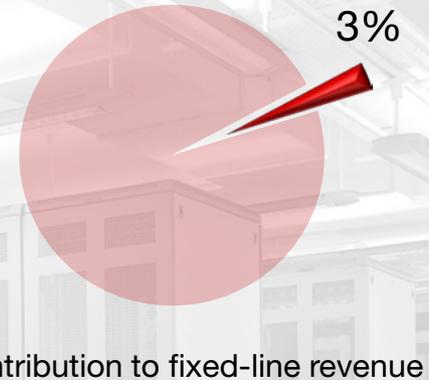


Contribution to fixed-line revenue



Data centre business and others

- ◆ Expanding tier 3+ grade data centre facilities
- ◆ Teaming up with industry leaders to deliver one-stop solution
- ◆ Joint Venture with Cheung Kong Group



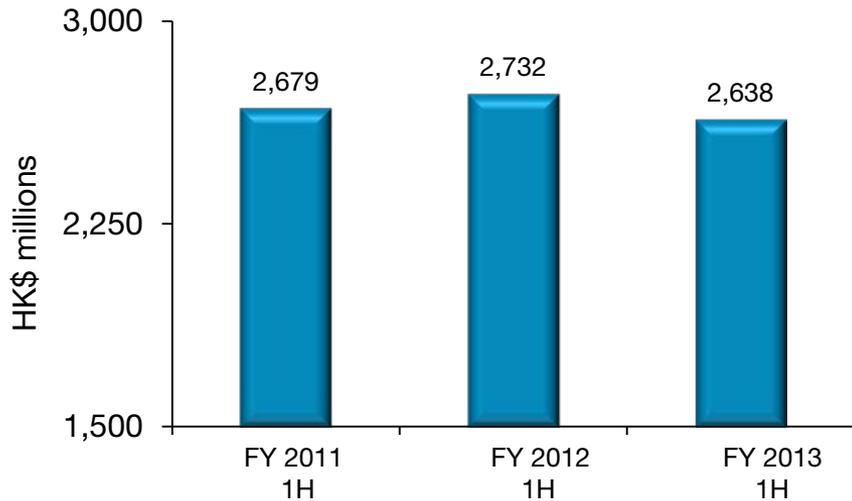
Financial Overview

Financial Highlights

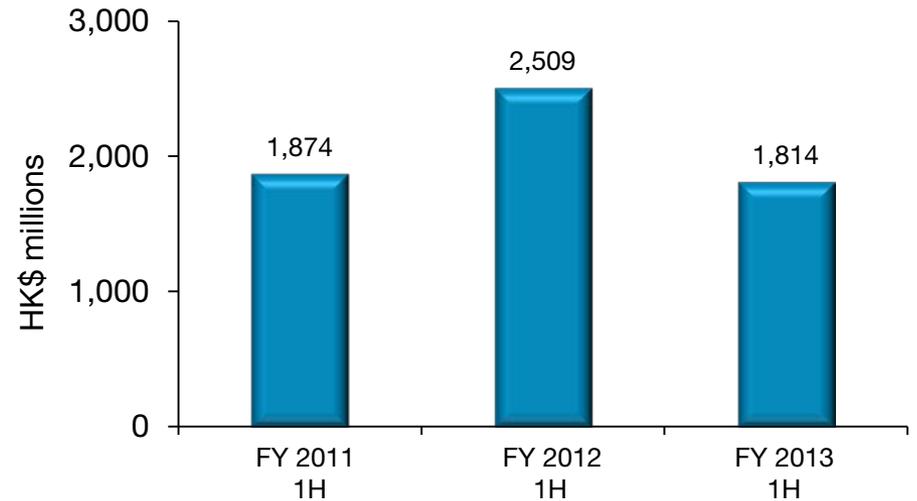
	(Restated) FY2012 1H HK\$m	FY2013 1H HK\$m	
Turnover	6,730	6,149	-9%
Cost of inventories sold	(2,369)	(1,668)	
Staff costs	(352)	(373)	
Customer acquisition costs	(331)	(364)	
Other operating expenses	(2,238)	(2,273)	
EBITDA	1,440	1,471	+2%
Depreciation and amortisation	(645)	(651)	
EBIT	795	820	+3%
Interest income	5	10	
Interest and other finance costs	(77)	(87)	
Share of results of jointly controlled entities	(2)	(4)	
Taxation	(23)	(39)	
Profit for the year	698	700	
Less: Profit attributable to non-controlling interests	(136)	(128)	
Profit attributable to shareholders	562	572	+2%
Earnings per share (HK cents)	11.66	11.87	+2%
Interim dividend per share (HK cents)	6.05	6.25	+3%

Turnover – mobile business

Mobile service revenue

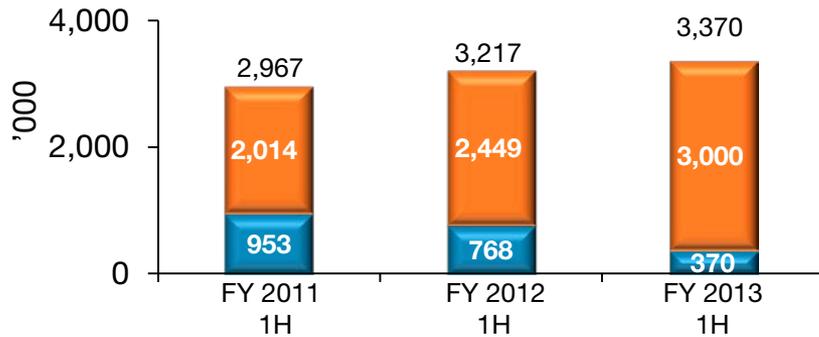


Mobile hardware revenue

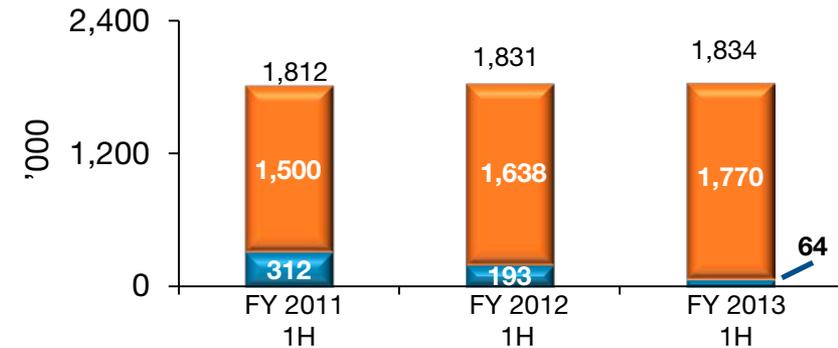


Quality customer base

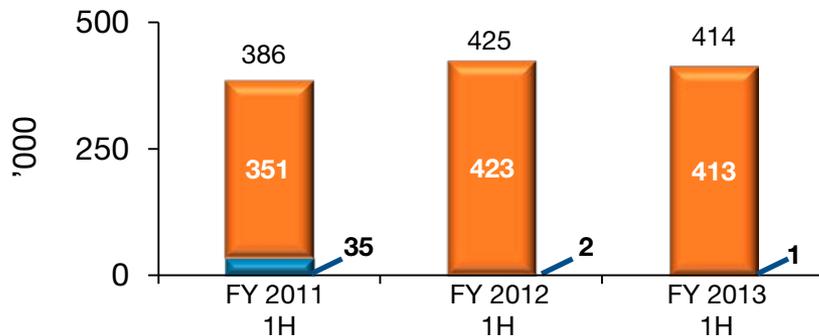
HK Total Subscribers



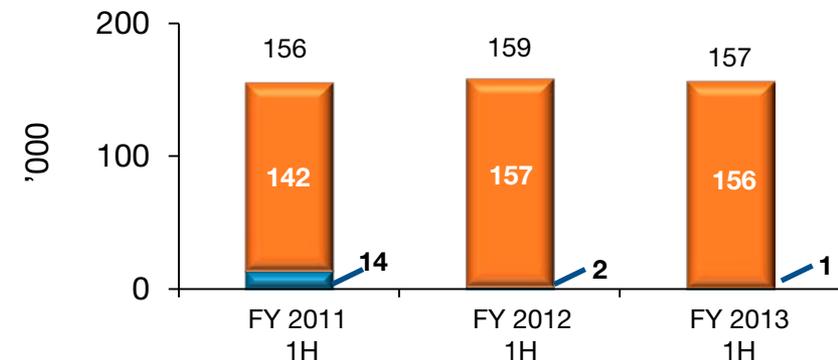
HK Postpaid Subscribers



Macau Total Subscribers



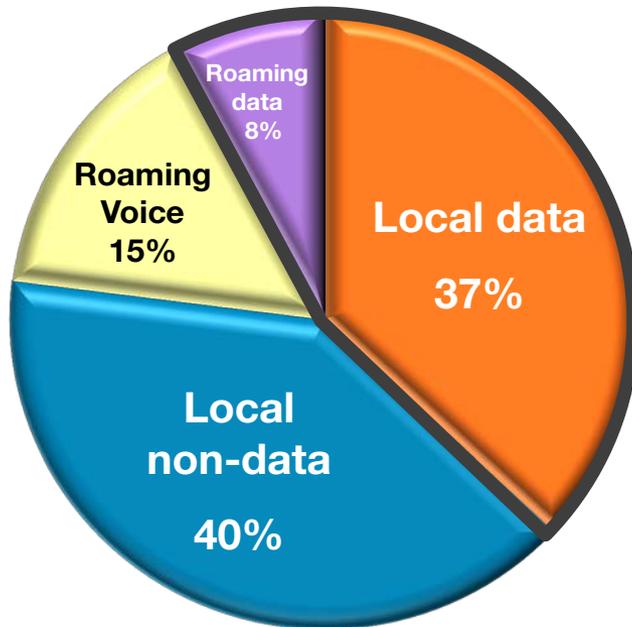
Macau Postpaid subscribers



Turnover – mobile service revenue

1H FY 2012

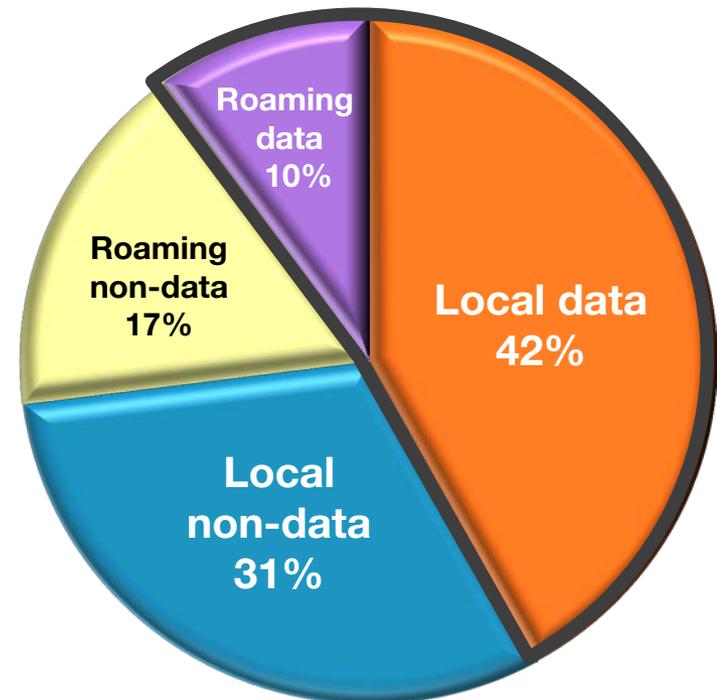
Total service revenue:
HK\$2,732m



Total Data Revenue: 45%

1H FY 2013

Total service revenue:
HK\$2,638m

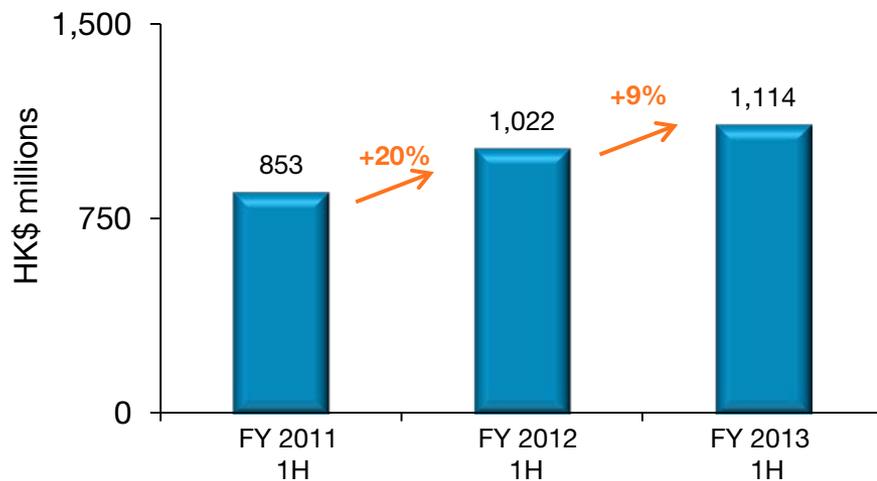


Total Data Revenue: 52%

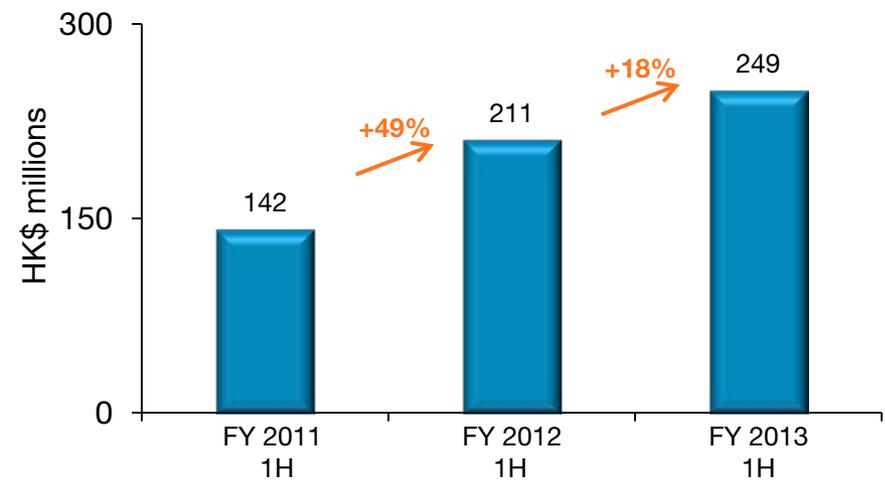
Mobile data

- ◆ Robust roaming data growth

Local data



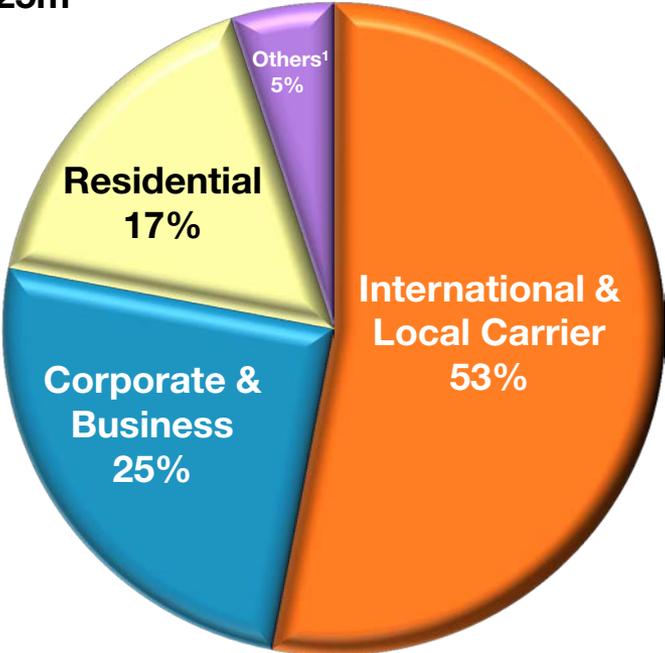
Roaming data



Turnover - Fixed-line business

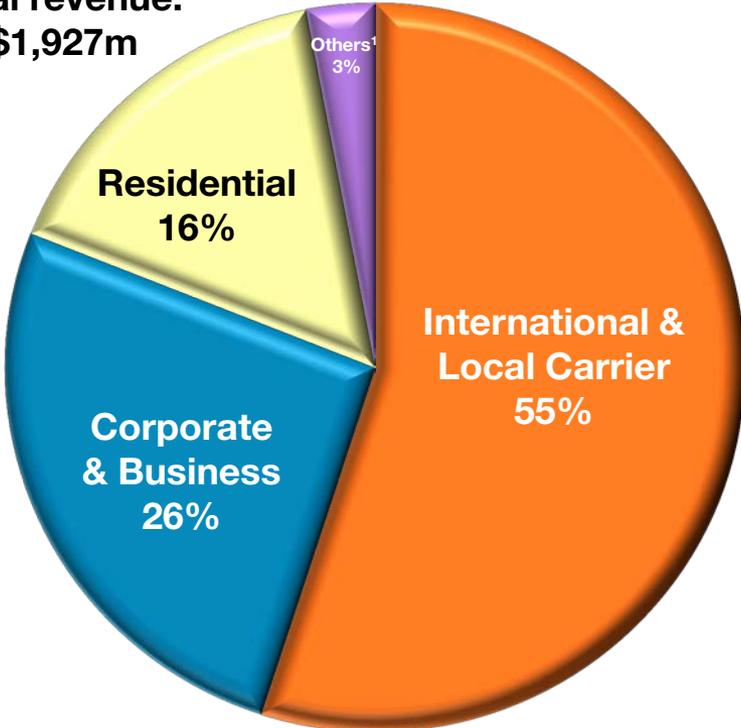
1H FY 2012

Total revenue:
HK\$1,725m



1H FY 2013

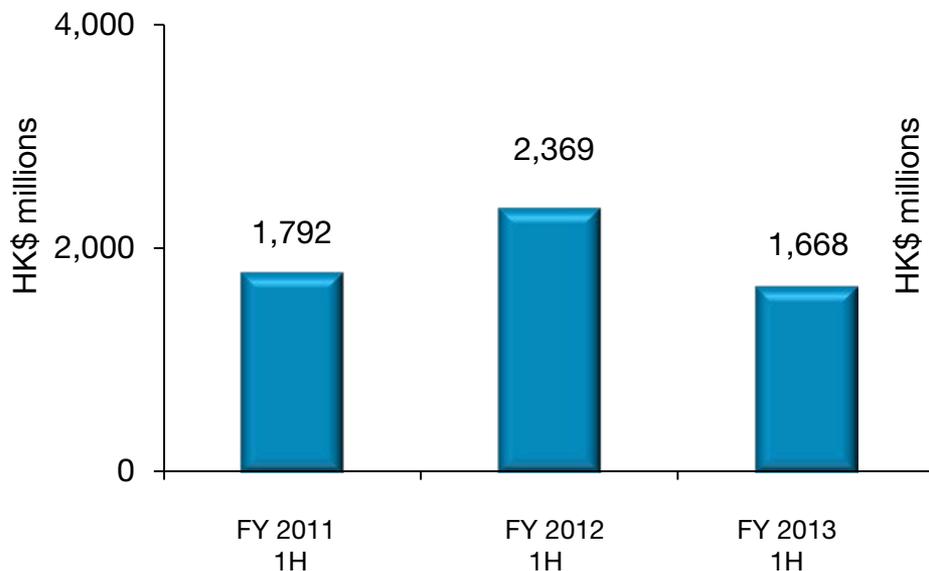
Total revenue:
HK\$1,927m



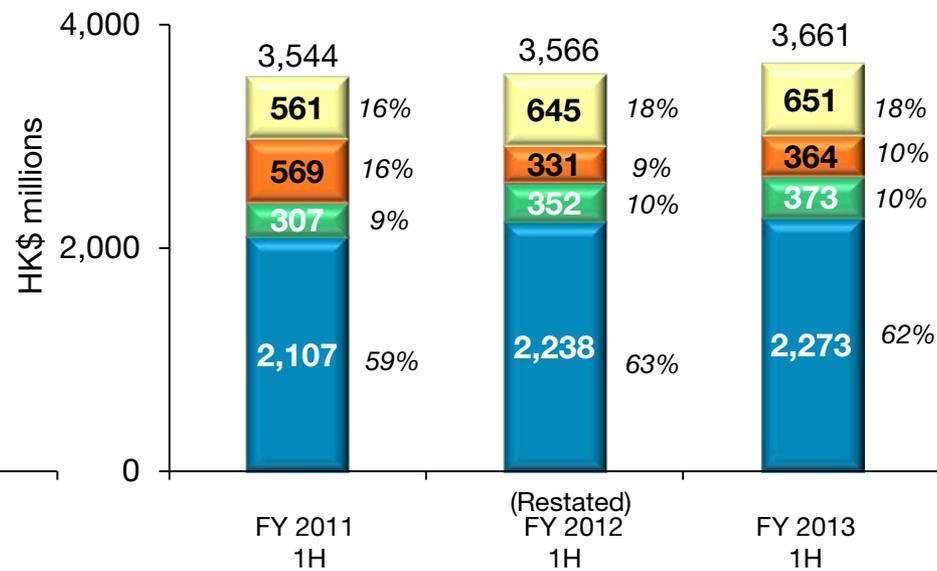
Key cost items

- ◆ Cautious and well-controlled

Cost of inventories sold



Key cost items

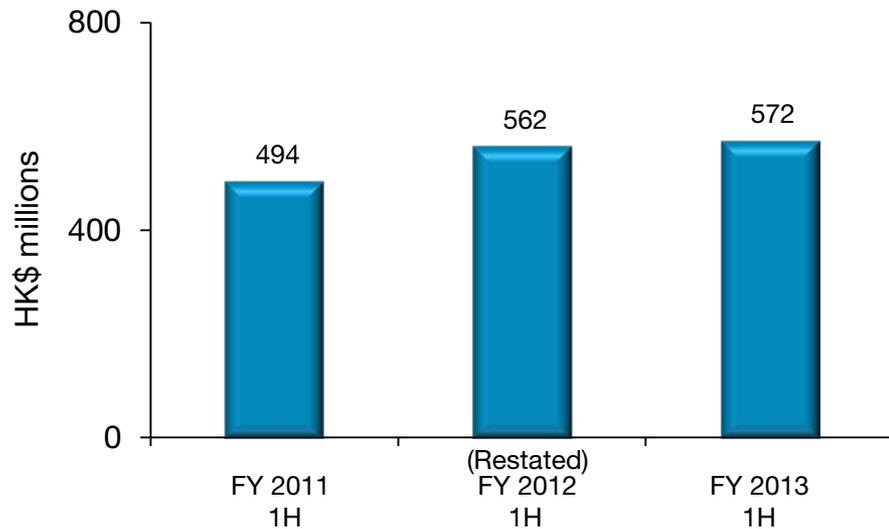


- Depreciation and amortisation
- Staff costs
- Customer acquisition costs
- Other operating expenses

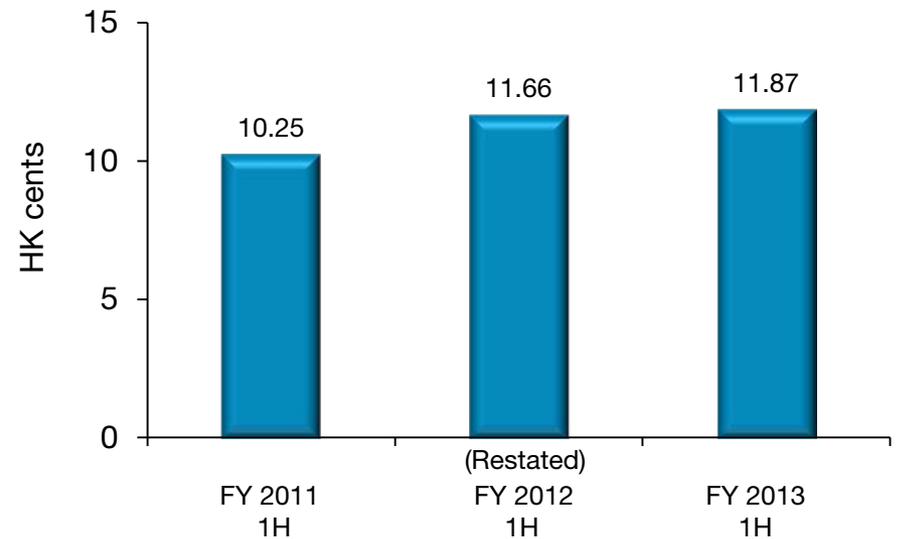
Profitability

- ◆ Earnings on growth track

Net profit*



Earnings per share

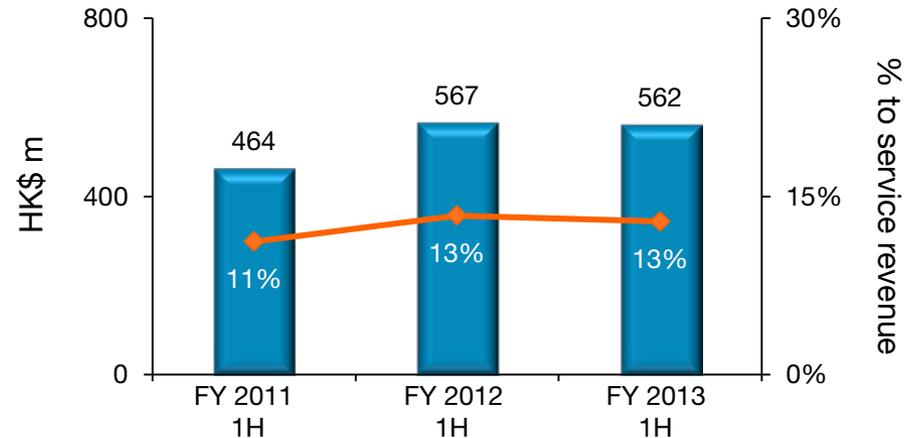


* Net profit after non-controlling interest

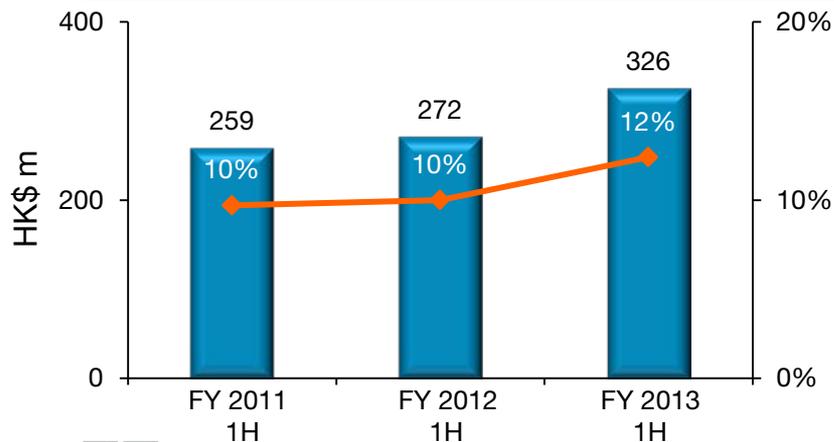
Capex investment

- ◆ Disciplined and demand-driven

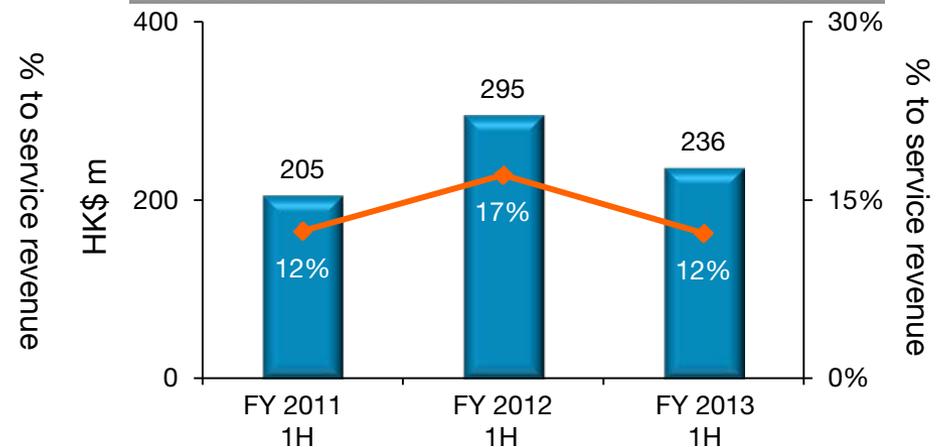
Consolidated Capex



Mobile Capex

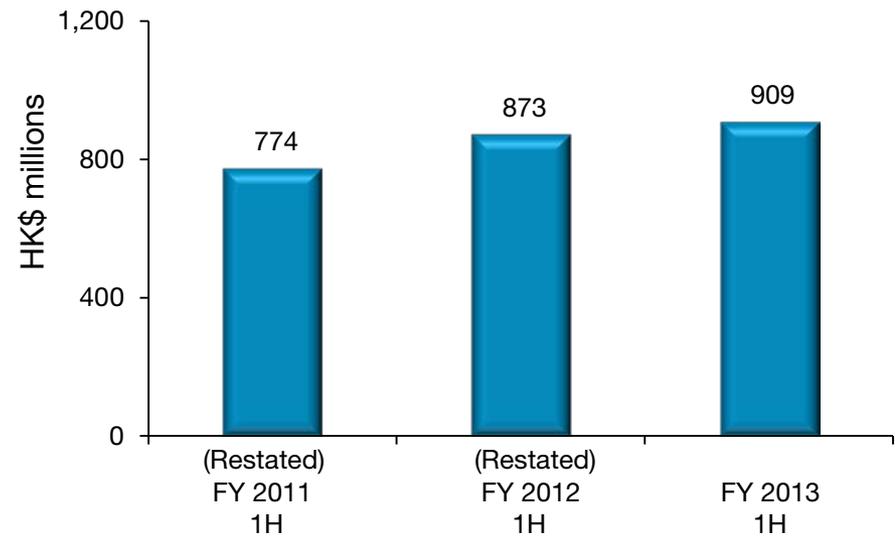


Fixed-line Capex



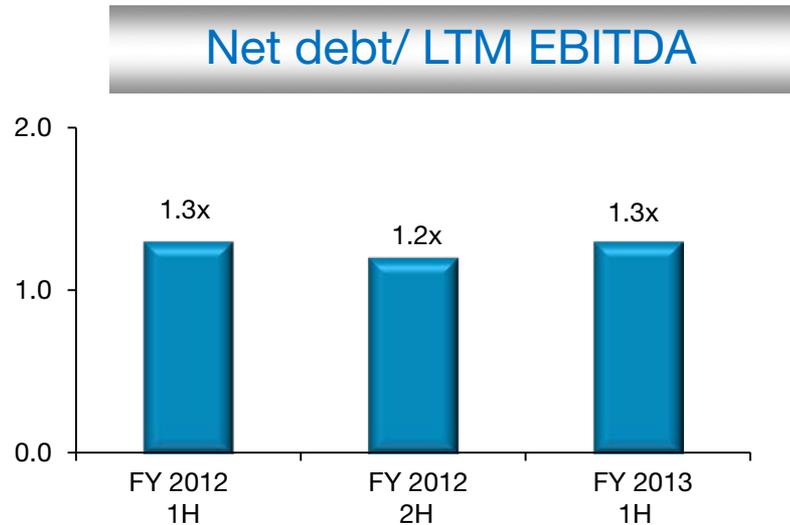
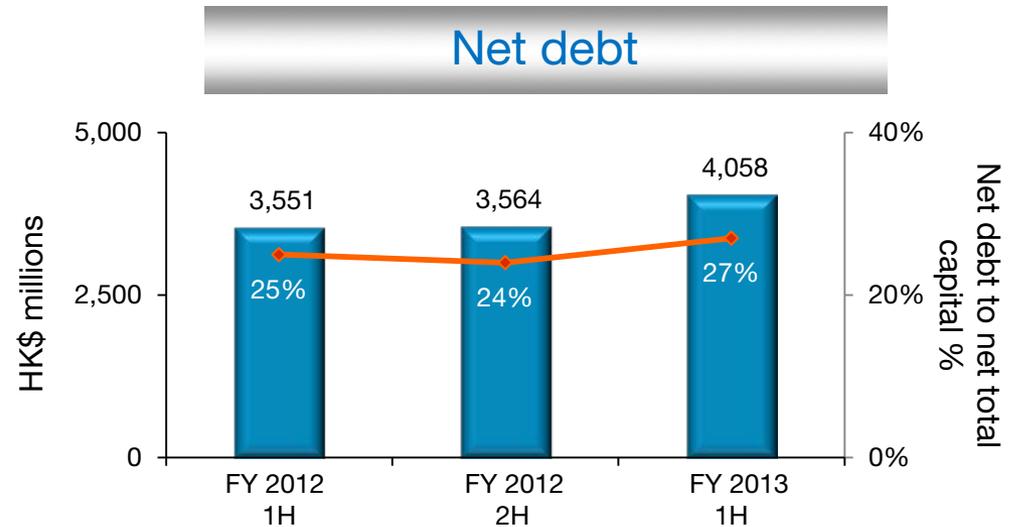
Liquidity

EBITDA less CAPEX



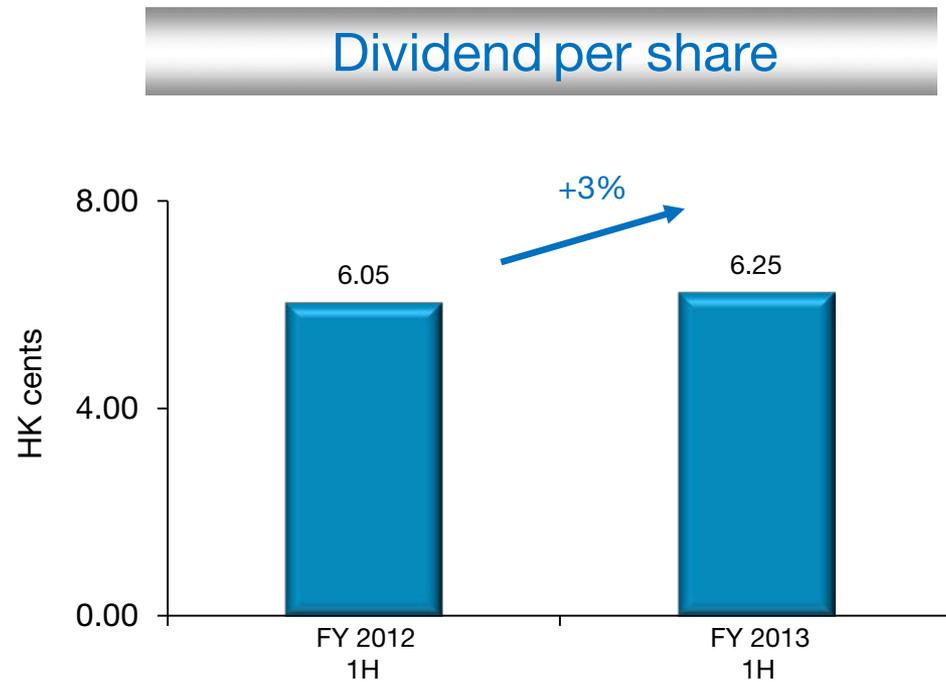
Strong financial position

- ◆ Leverage ratio = 1.3
- ◆ Net debt to net total capital = 27%



Dividend

- ◆ Solid 75% annual payout



Forward

Outlook

Group

- ◆ Best positioned as an integrated operator in HK
- ◆ Solid foundation to foster growth
- ◆ Disciplined network investment
- ◆ Increase returns for shareholders

Mobile

- ◆ Embracing technology
- ◆ Customer focus
- ◆ Valued-added product development

Fixed-line

- ◆ Further collaboration with overseas carriers and leading ICT players
- ◆ Solution-based IT service provider
- ◆ Full range residential multimedia offerings

Q & A

Thank You