



Hutchison Telecom
Hong Kong Holdings

SEHK: 215

2009 Interim Results

12 August 2009



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, HTHK actual results may differ materially from those expressed or implied in any forward-looking statement.

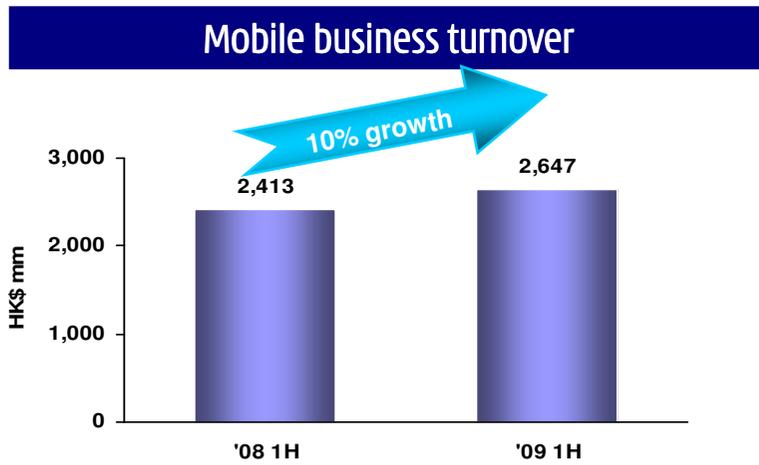
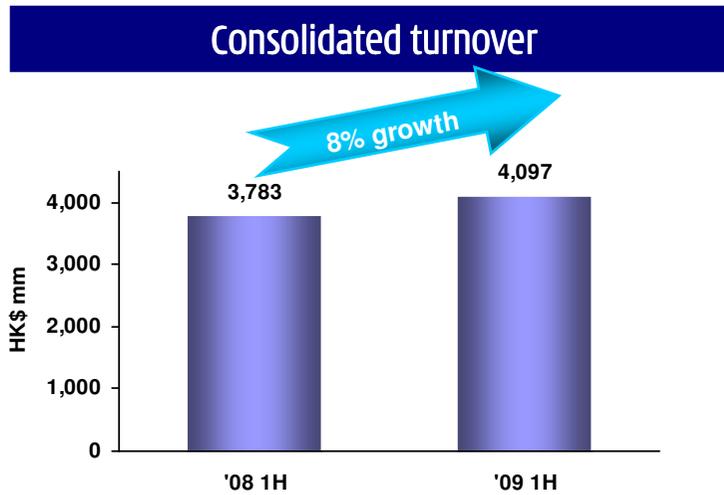
While non-generally accepted accounting principles (GAAP) measures such as EBITDA (earnings before interest, taxation, depreciation and amortization) and are often used by companies as an indicator of operating performance, they are not expressly permitted measures under the GAAP or the International 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

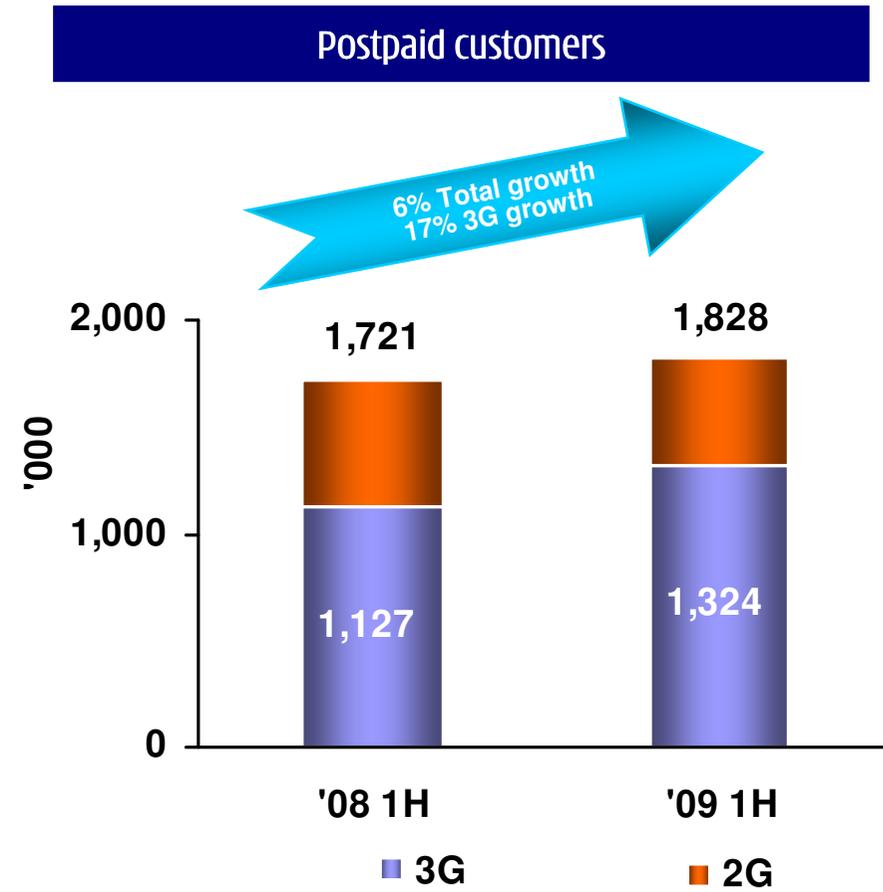
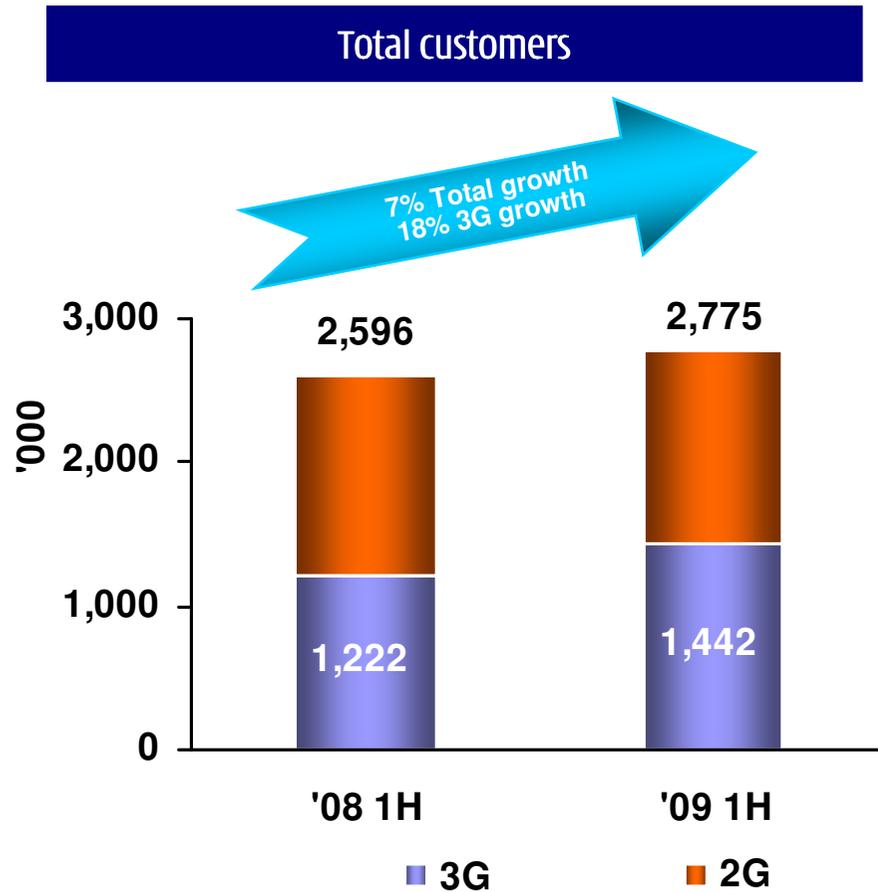
Highlights

- 1 Consolidated turnover up by 8% to HK\$4,097 million
- 2 The largest 3G HK mobile operator and the first operator offers iPhone 3G and 3GS service
- 3 Carrier, Corporate and Business revenues of fixed-line business achieved strong growth
- 4 Profit attributable to equity holders grew by 4% to HK\$256 million
- 5 Interim dividend per share at 1.12 HK cents

1 Turnover

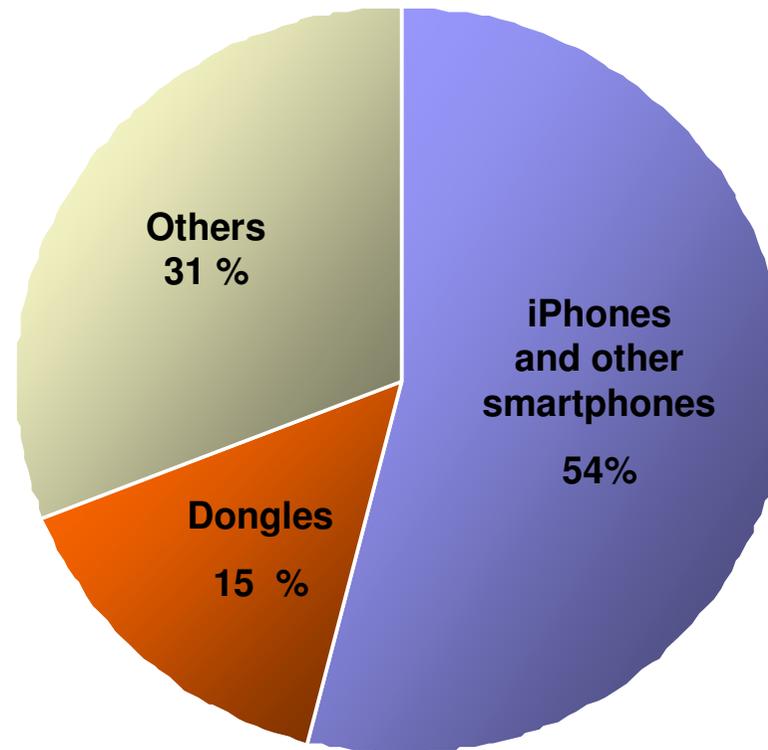


2 Mobile - customers



2 Mobile – handset subscription

- 69% data centric devices
- Data ARPU driven



Based on July 2009 operational data

2 Mobile - iPhone customers

over 50%
port in

~ 2 - 3 times
3G ARPU

iPhone
3G

Twice as fast.



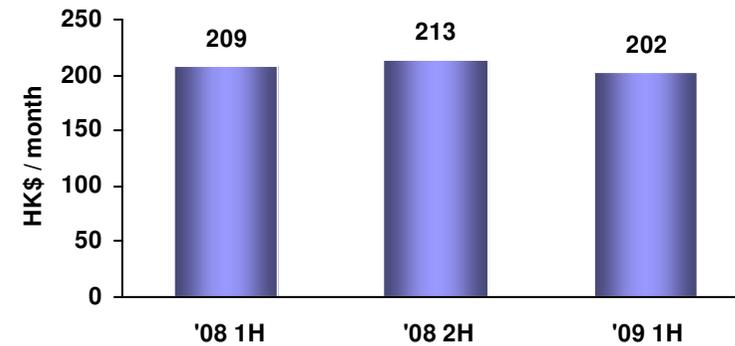
~90%
high tariff plans

Based on June 2009 operational data

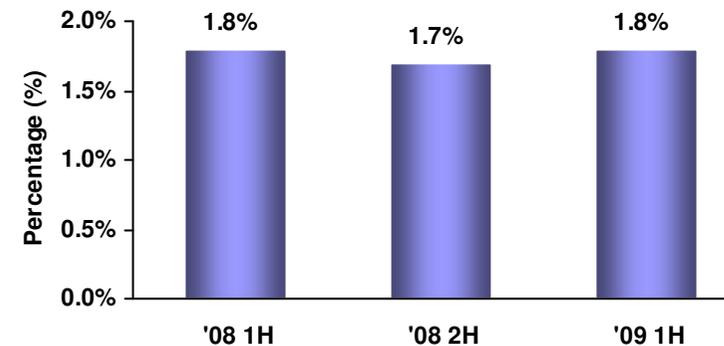
2 Mobile - KPIs

- Stable postpaid ARPU and Churn under softened economy

Postpaid ARPU

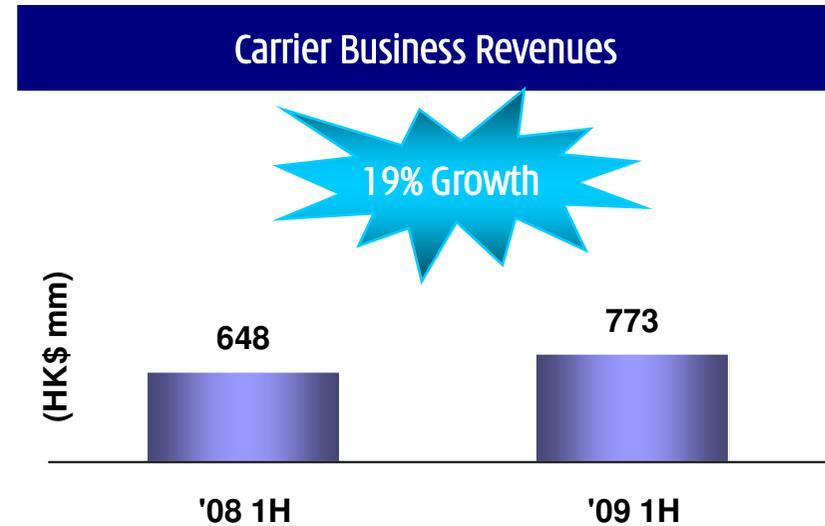


Postpaid Churn



3 Fixed-line - key revenue drivers

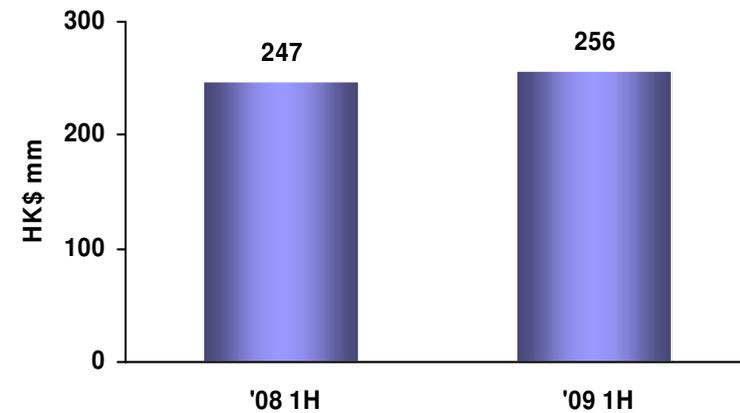
- Focused and well-executed growth strategy
- Strong growth



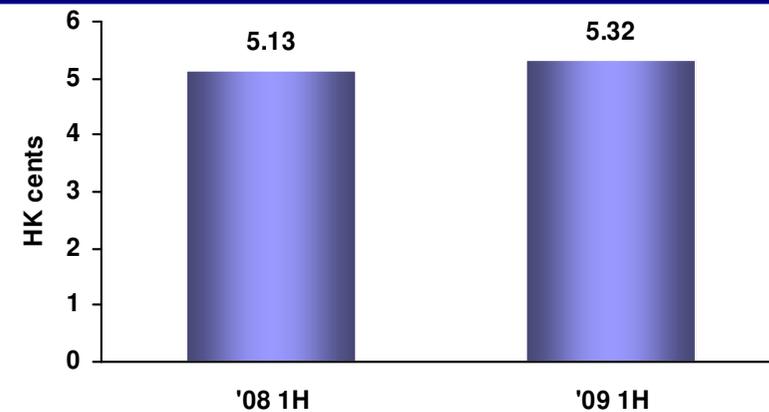
4 Profit attributable to equity holders and EPS

- Achieving 4% growth under financial turmoil
- Delivering value

Profit attributable to shareholders



Earnings per Share



5 Deliver value to equity holders

- **Stable and sustainable dividends** while maintaining **efficient capital structure** and **sufficiency of funding**
 - Supported by strong and stable operational cash flows
 - In line with overall objective of maximizing long term shareholder value
- 2009 interim dividend: HK\$54 million or 1.12 HK cents per share

Financial Overview

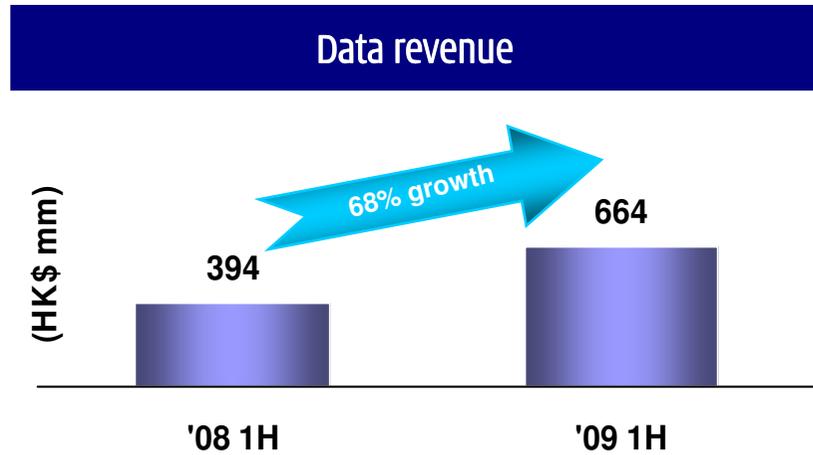
Financial Highlights

	'09 1H (HK\$m)	'08 1H (HK\$m)
Turnover	4,097	3,783
Cost of inventories sold	(279)	(138)
Staff costs	(310)	(296)
Depreciation and amortisation	(650)	(688)
Other operating expenses	(2,459)	(2,243)
Operating profit	399	418
Interest income	-	9
Interest and other finance costs	(73)	(105)
Share of results of a jointly controlled entity	(8)	-
Profit before taxation	318	322
Taxation	(38)	(47)
Profit for the year	280	275
Attributable to:		
Equity holders of the Company:	256	247
Minority interests	24	28
	280	275



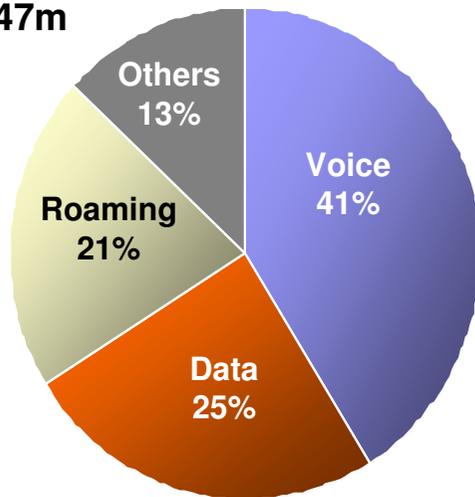
Turnover – mobile business

- 68% data revenue growth



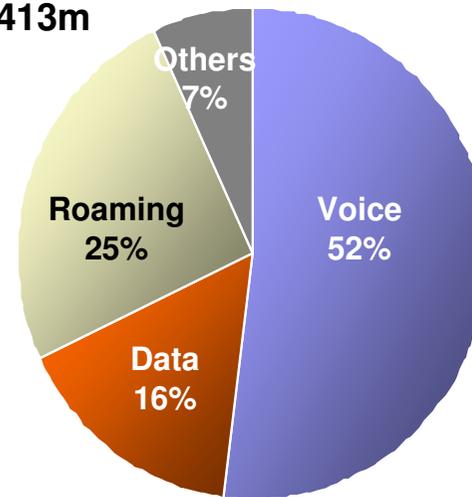
Turnover analysis by segments

Total: HK\$2,647m



'09 1H

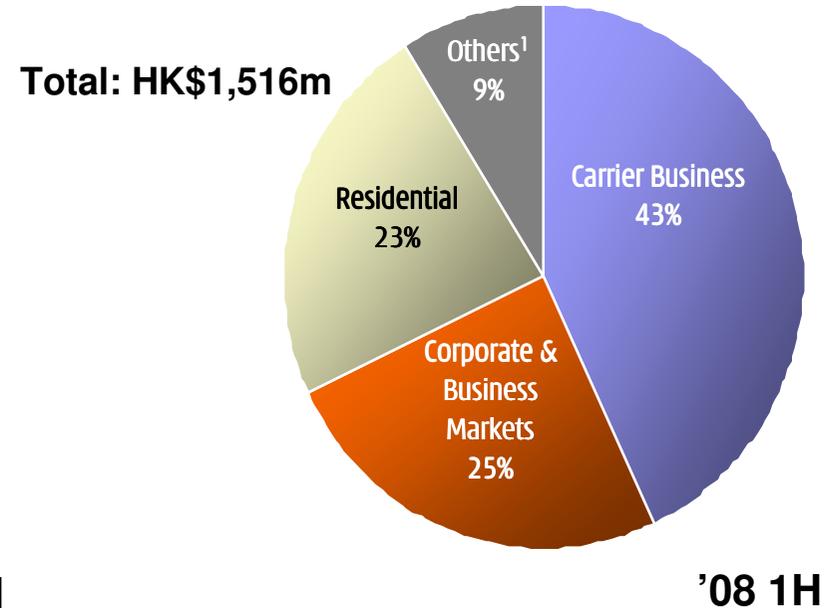
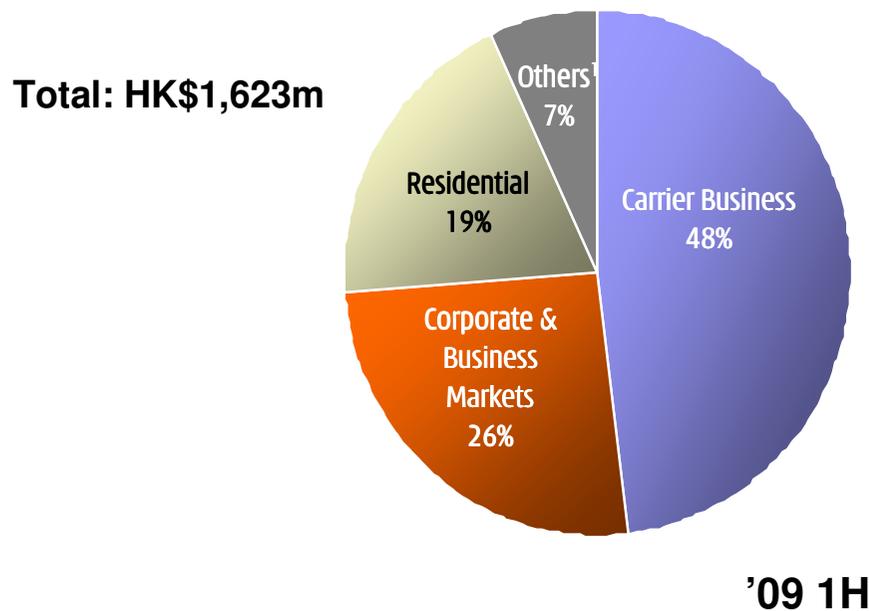
Total: HK\$2,413m



'08 1H

Turnover - Fixed-line business

- Strong growth in Carrier, Corporate & Business segments



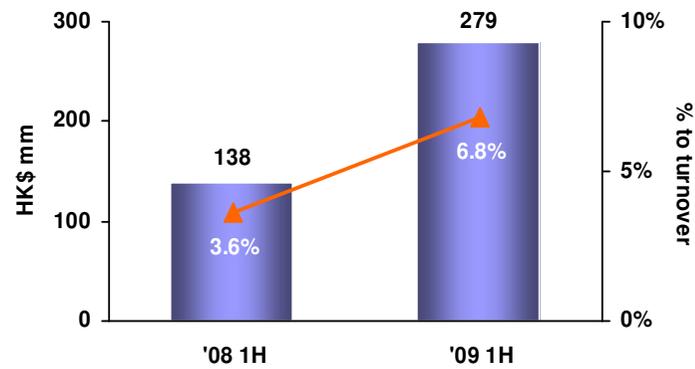
¹ Others include revenue from interconnection charges and data centers

Financial Highlights

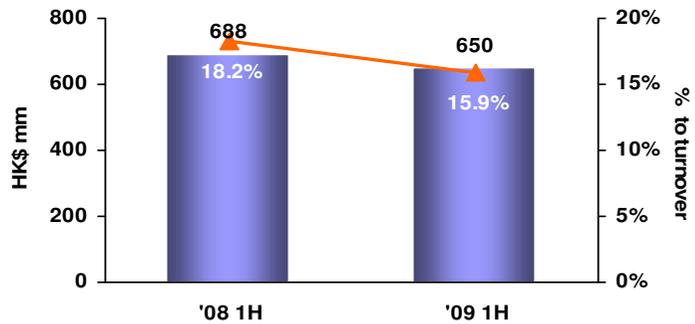
	'09 1H (HK\$m)	'08 1H (HK\$m)
Turnover	4,097	3,783
Cost of inventories sold	(279)	(138)
Staff costs	(310)	(296)
Depreciation and amortisation	(650)	(688)
Other operating expenses	(2,459)	(2,243)
Operating profit	399	418
Interest income	-	9
Interest and other finance costs	(73)	(105)
Share of results of a jointly controlled entity	(8)	-
Profit before taxation	318	322
Taxation	(38)	(47)
Profit for the year	<u>280</u>	<u>275</u>

Key cost items

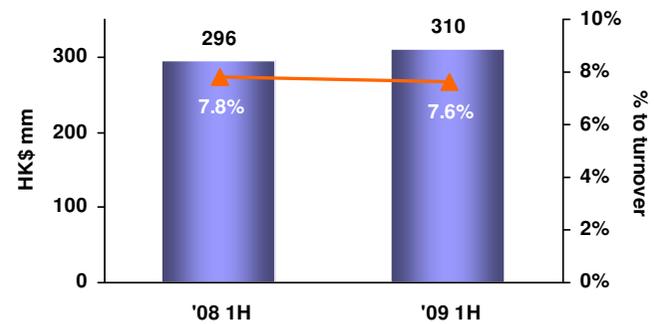
Cost of inventories sold



Depreciation and amortisation expenses



Staff costs

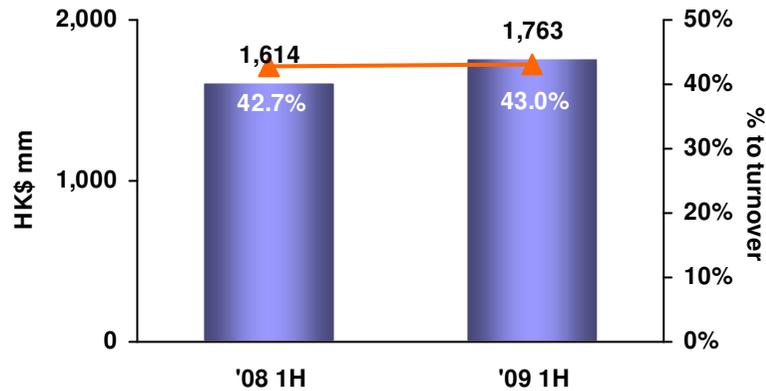


Financial Highlights

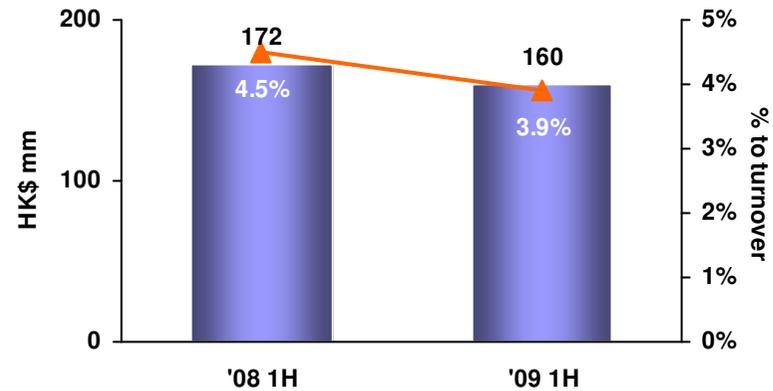
	'09 1H (HK\$m)	'08 1H (HK\$m)
Turnover	4,097	3,783
Cost of inventories sold	(279)	(138)
Staff costs	(310)	(296)
Depreciation and amortisation	(650)	(688)
Other operating expenses	(2,459)	(2,243)
Operating profit	399	418
Interest income	-	9
Interest and other finance costs	(73)	(105)
Share of results of a jointly controlled entity	(8)	-
Profit before taxation	318	322
Taxation	(38)	(47)
Profit for the year	280	275

Other operating expenses

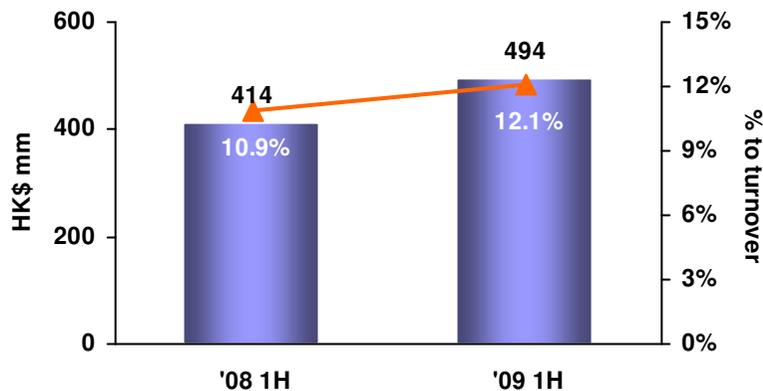
Cost of services provided



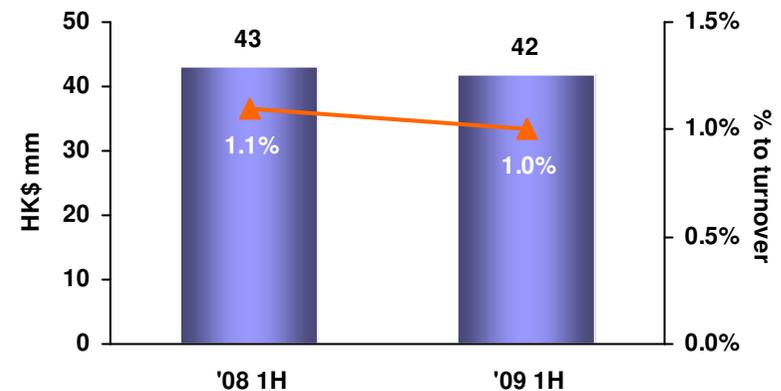
General, administrative and distribution costs



Operating lease rental expenses



Doubtful debt expenses



Change in CAC/CRC Accounting Policy

Objectives:

- align income statement with cash flow statement
- increase the comparability of performance with other operators within the global industry

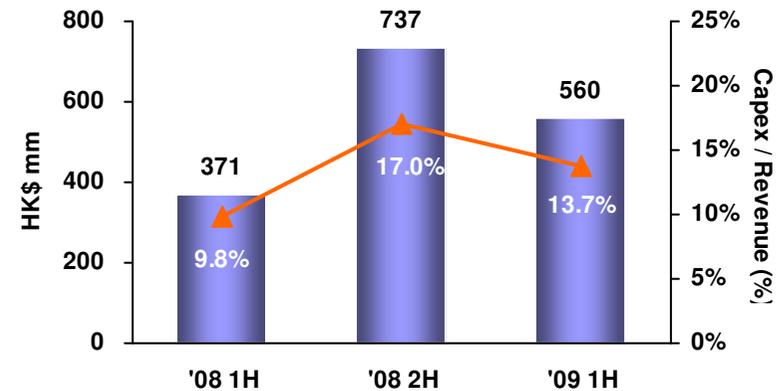
Estimated financial impact

(HK\$m)	Before change in a/c policy	Estimated effect of change	Restated
Income Statement	'1H 08		'1H 08
Turnover	3,783		3,783
Operating profit	421	(3)	418
Profit attributable to equity holders	253	(6)	247
	'1H 09		'1H 09
Turnover	4,097		4,097
Operating profit	472	(73)	399
Profit attributable to equity holders	312	(56)	256
Statement of financial position	'FY 08		'FY 08
Goodwill and other intangibles	5,621	(733)	4,888
Current and deferred taxation	97	(9)	88
Total equity	(2,837)	(724)	(3,561)
	'1H 09		'1H 09
Goodwill and other intangibles	5,672	(807)	4,865
Current and deferred taxation	136	(11)	125
Total equity	9,901	(796)	9,105

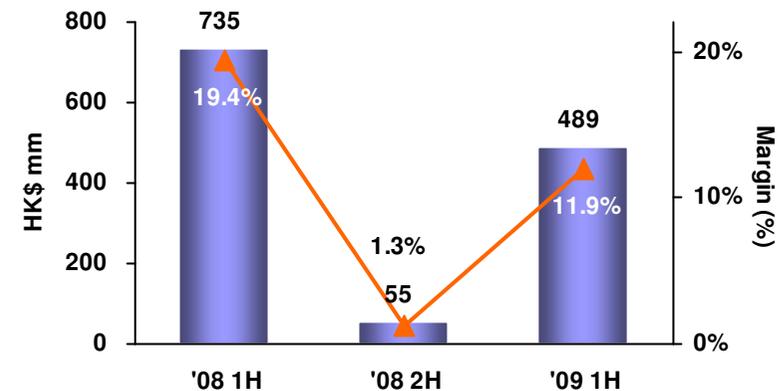
Capex and liquidity

- Revenue driven Capex investment
- Scheduled network modernisation and expansion
- Strong FCF to meet future liquidity needs

Capex and Capex as % of Revenue



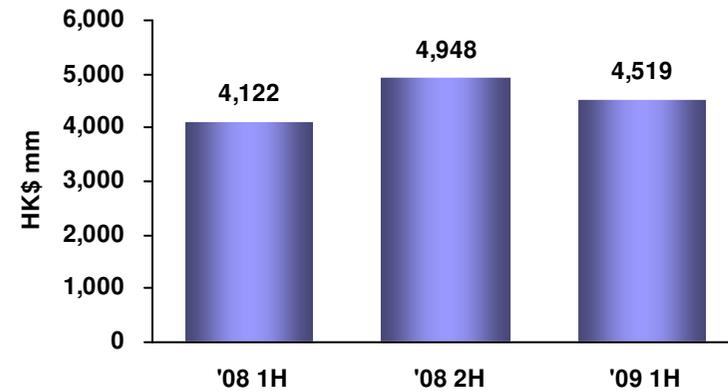
EBITDA-CAPEX



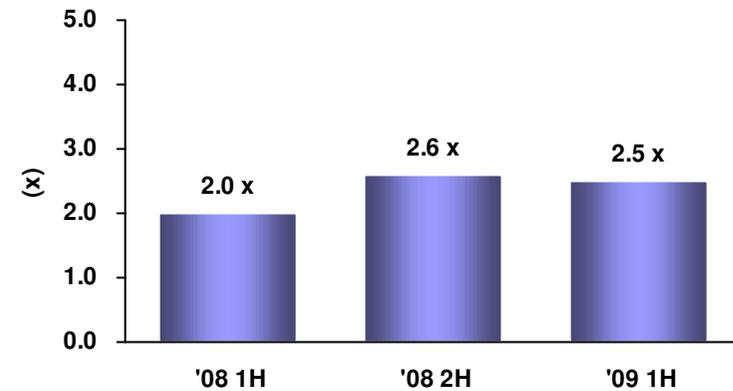
Managing financial position

- Leverage ratio at 2.5
- HK\$5.2B bank facilities available

Net Debt



Net Debt / LTM EBITDA



Outlook

Outlook

Well positioned to capture global bandwidth demand and mobile data growth

- Continue to enlarge 3G premium customer base with increasing data usage
- Focus on growing Carrier, Business and Corporate markets of fixed-line business
- Improve cost structure leveraged on MIC "Bill and Keep" arrangements

Q & A

Thank You