

# Hutchison Telecommunications (Australia) Limited

## 2007 Full Year Results

**Nigel Dews**  
**Chief Executive Officer**  
**26 February 2008**



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Telecommunications operations of  
Hutchison Whampoa Limited



# Financial Highlights

- Total revenue of \$1.3 billion, up \$260 million, or 24.6%
- Total margin \$911.9 million, up 29.5%
- Average monthly margin increased to \$76 million from \$58.6 million
- EBITDA \$114 million, an increase of \$84 million
- Net loss \$285 million, a \$474 million improvement
- Interest cost reduced by \$104 million in 2007, and \$250 million p.a. by recapitalisation
- Average CAC for new customers \$263, down from \$274
- Operating cash flow positive

\* Unless otherwise stated, all % and \$ increases are on the prior corresponding period, Full Year 2006



# Operating Highlights

- **Total 1,578,000 customers, an increase of 27%. Net adds of 333,000 for the full year, 173,000 in the half year**
- **89% of base postpaid**
- **Churn level low and steady - 1.1%**
- **Mobile Broadband subscribers reached 195,000, up 138% for the half year**
- **767,000 customers with at least one billed content event each month in 2H07, up from 635,000 in 1H07**
- **3 Service Centres open in Sydney, Melbourne, Brisbane, Adelaide and Perth**

\* Unless otherwise stated, all % and \$ increases are on the prior corresponding period, Full Year 2006



# Key Financials

<i>(\$million)</i>	Full Year to 31 Dec 07	Full Year to 31 Dec 06	Change
Total revenue	1,318.7	1,058.7	24.6%
Service revenue	1,172.0	924.9	26.7%
EBIT (loss)	(123.9)	(494.6)	74.9%
EBITDA	114.0	30.2	277.5%
NPAT (loss)	(285.1)	(759.4)	62.5%
CAPEX	268.0	203.8	31.5%
Net debt	1,066.9	3,573.8	70.1%
Interest cost	161.2	264.8	39.1%

**Service revenue** excludes handset revenue, interest income and other income

**EBITDA** represents service revenue less interconnect cost and running operating expenditure plus capitalised incremental direct acquisition and retention costs in accordance with AIFRS

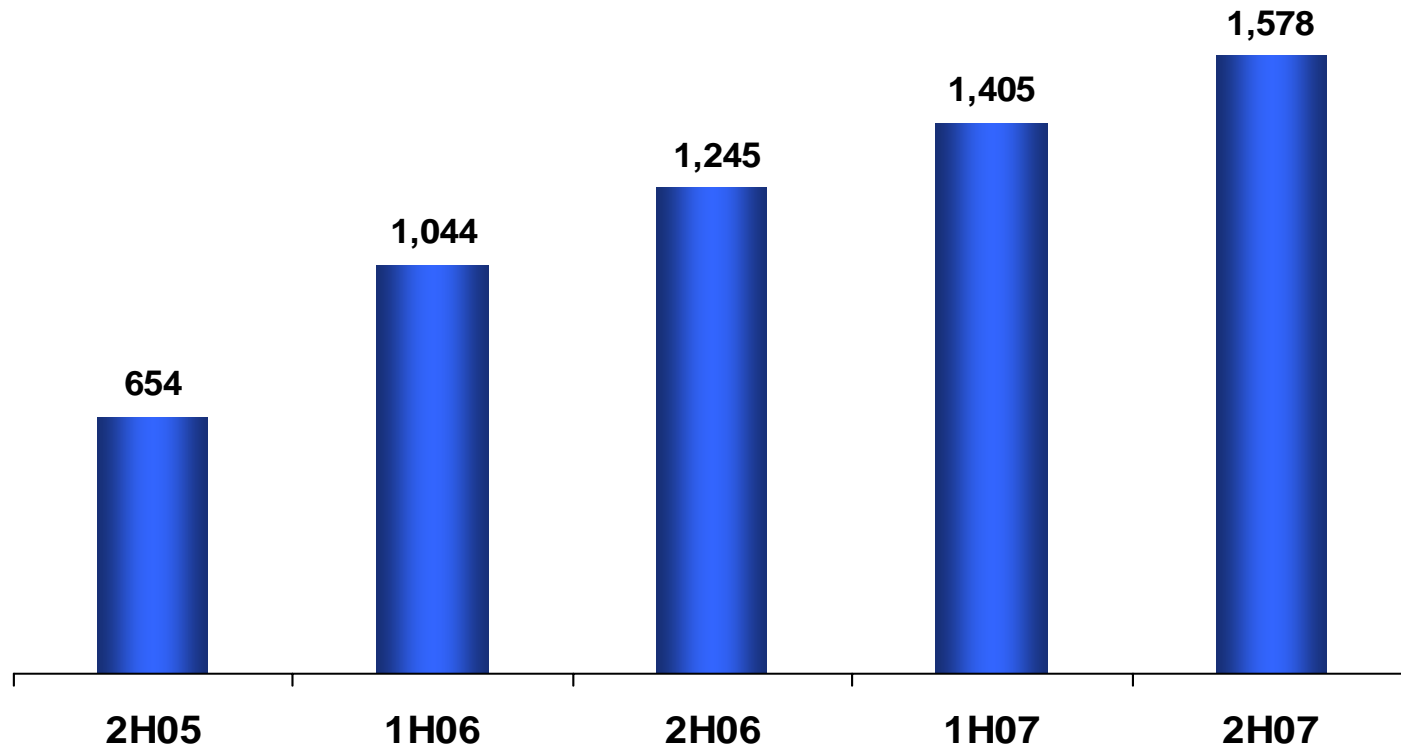
**NPAT** represents net loss after tax attributable to Hutchison Telecommunications (Australia) Limited after minority interest

**Net Debt** excludes payables



# 3 Mobile Customer Base

*(Mobile Customers '000)*

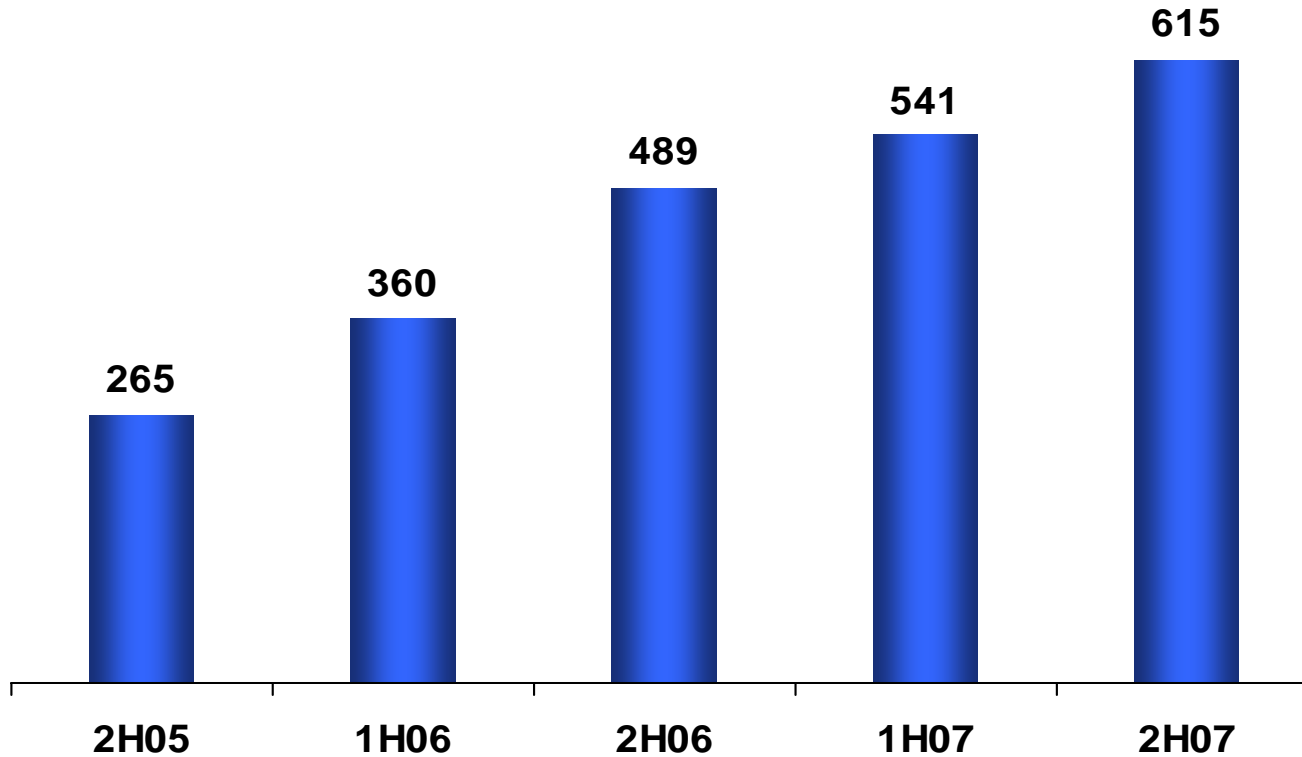


**Continued strong growth**



# 3 Service Revenue

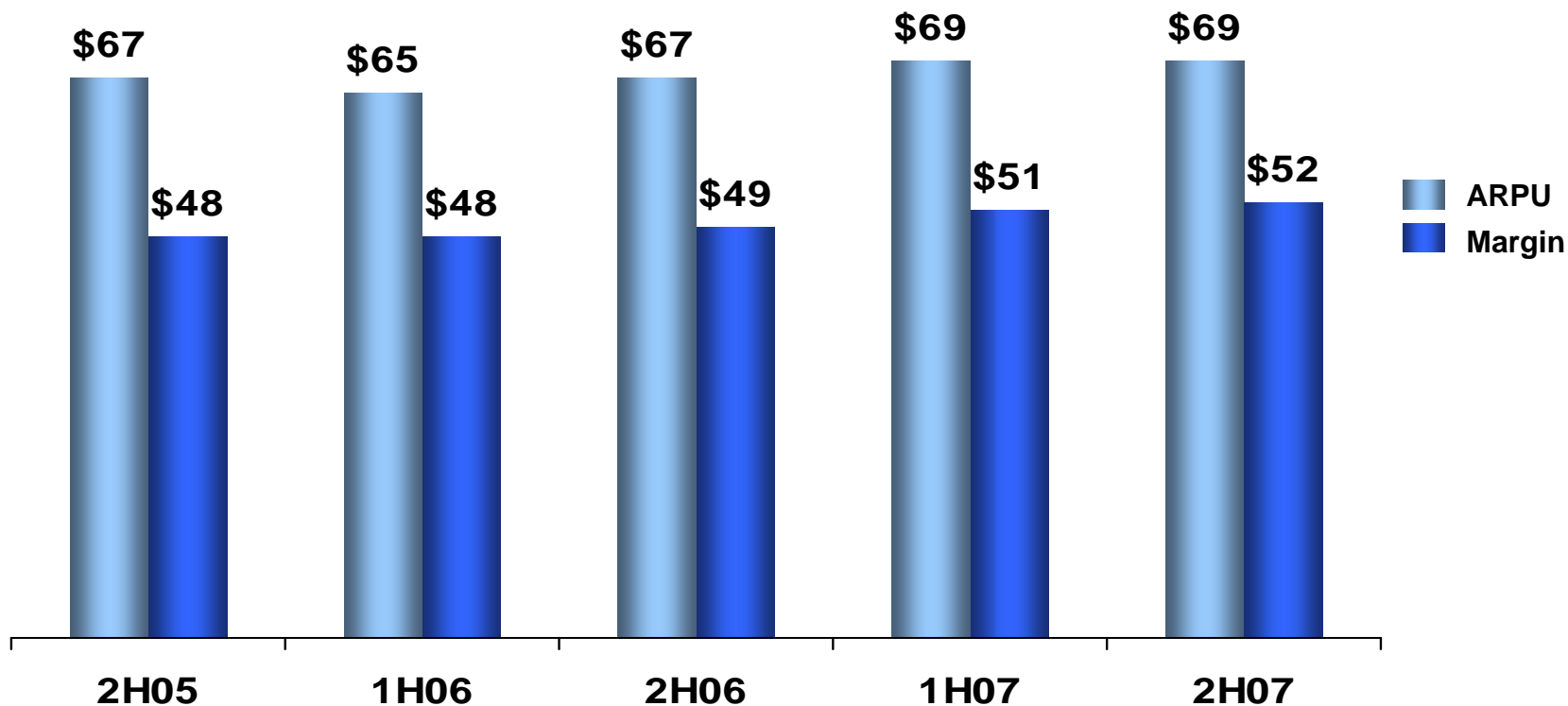
*(\$million)*



**36% increase in full year service revenue**



# Margin and ARPU\*

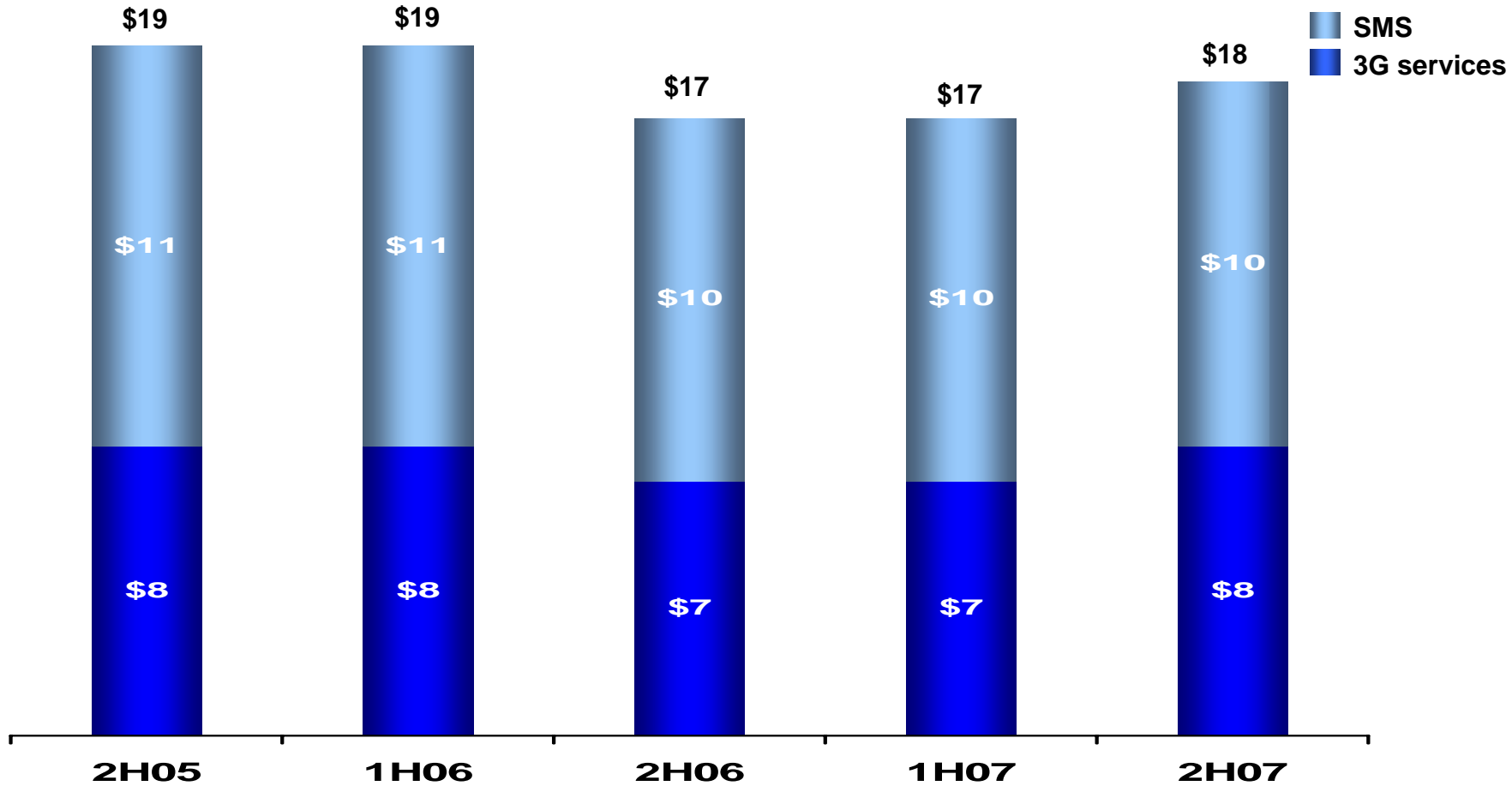


**Margin increase despite 40% fall in termination rates**

\* Blended ARPU and Margin



# Non-voice ARPU



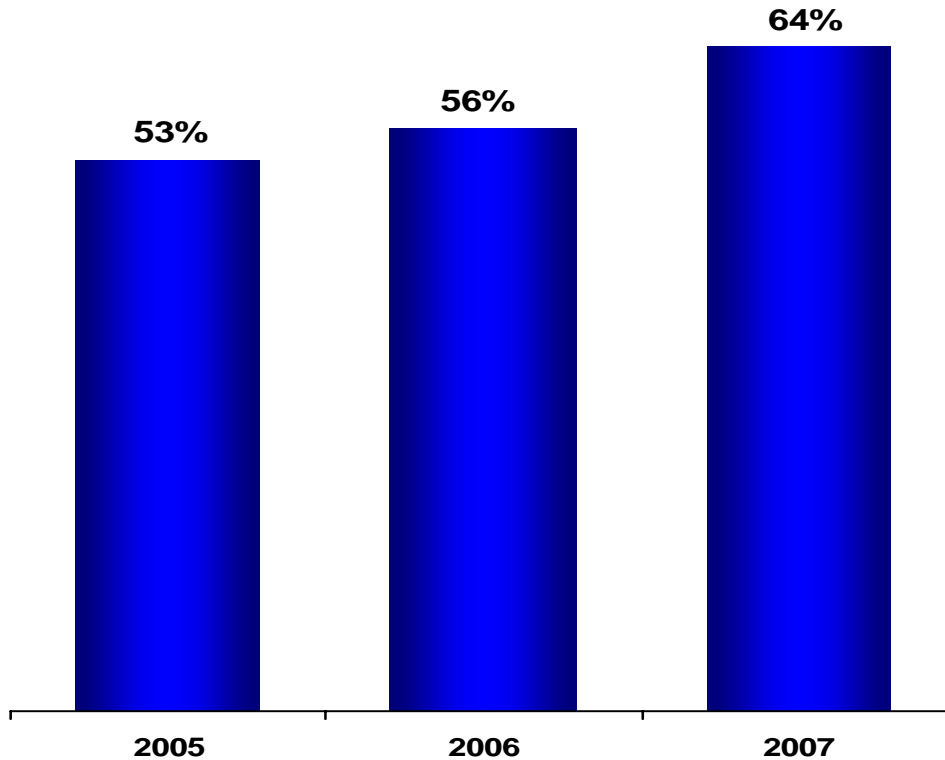
**Maintaining lead in 3G services ARPU**

3G services includes all non-voice services with the exception of SMS



# Non-voice usage

## Planet 3 content penetration\*



\* % of customers billed for Planet 3 content

- 120 million content events in 2007:
  - Over 1.65 million games downloaded
  - Over 5.7 million music events
- Billed content events: 767,000 customers per month in 2H07, up from 635,000 in 1H07
- 195,000 Mobile Broadband subscriptions, up 138% from 82,000 at 30 June 2007

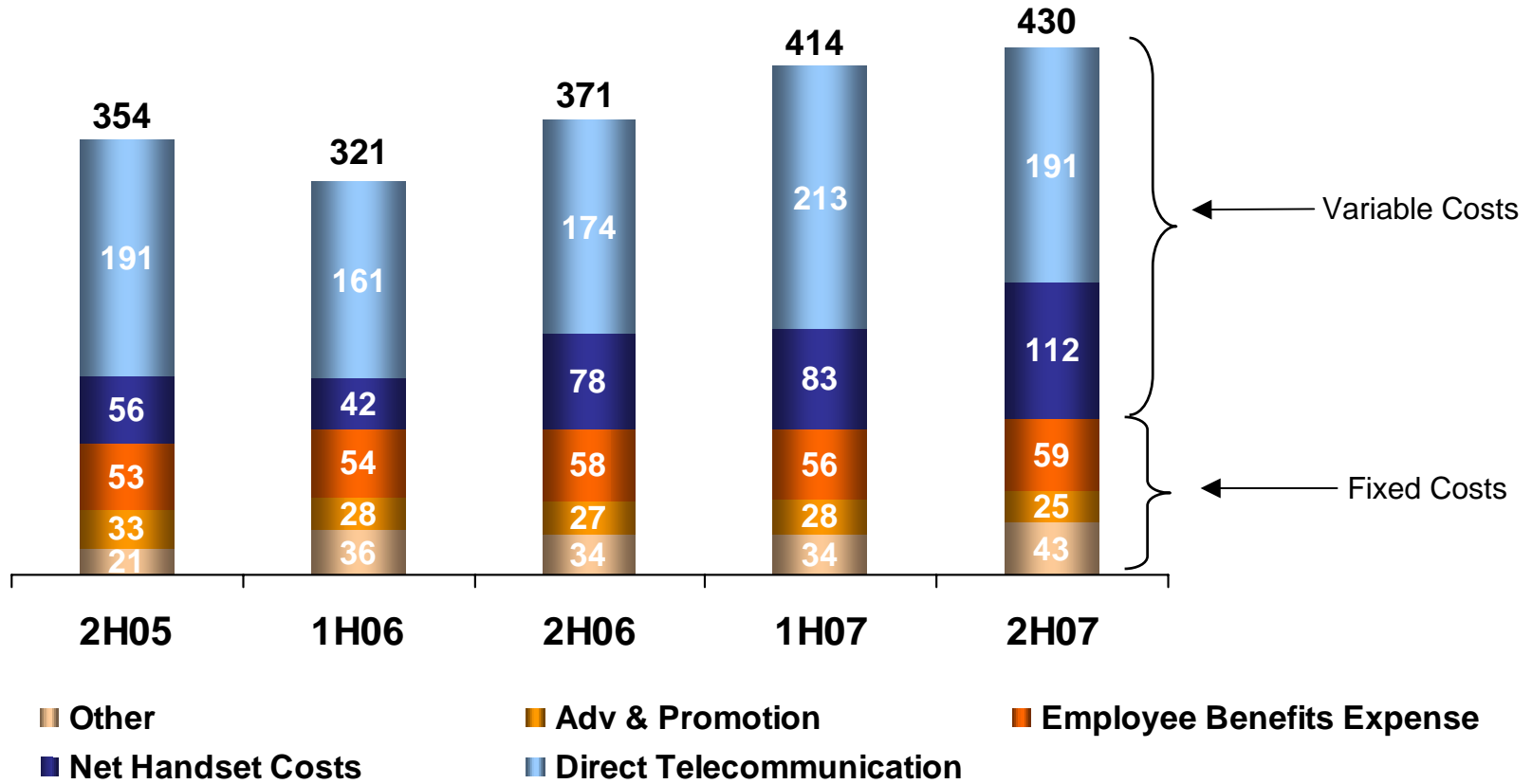
**Leading the way in non-voice usage**

Mobile Broadband subs = Mobile Broadband cards, USB Modems, X-Series plans, Mobile Web plans and phones used as a modem



# Running Operating Expenditure

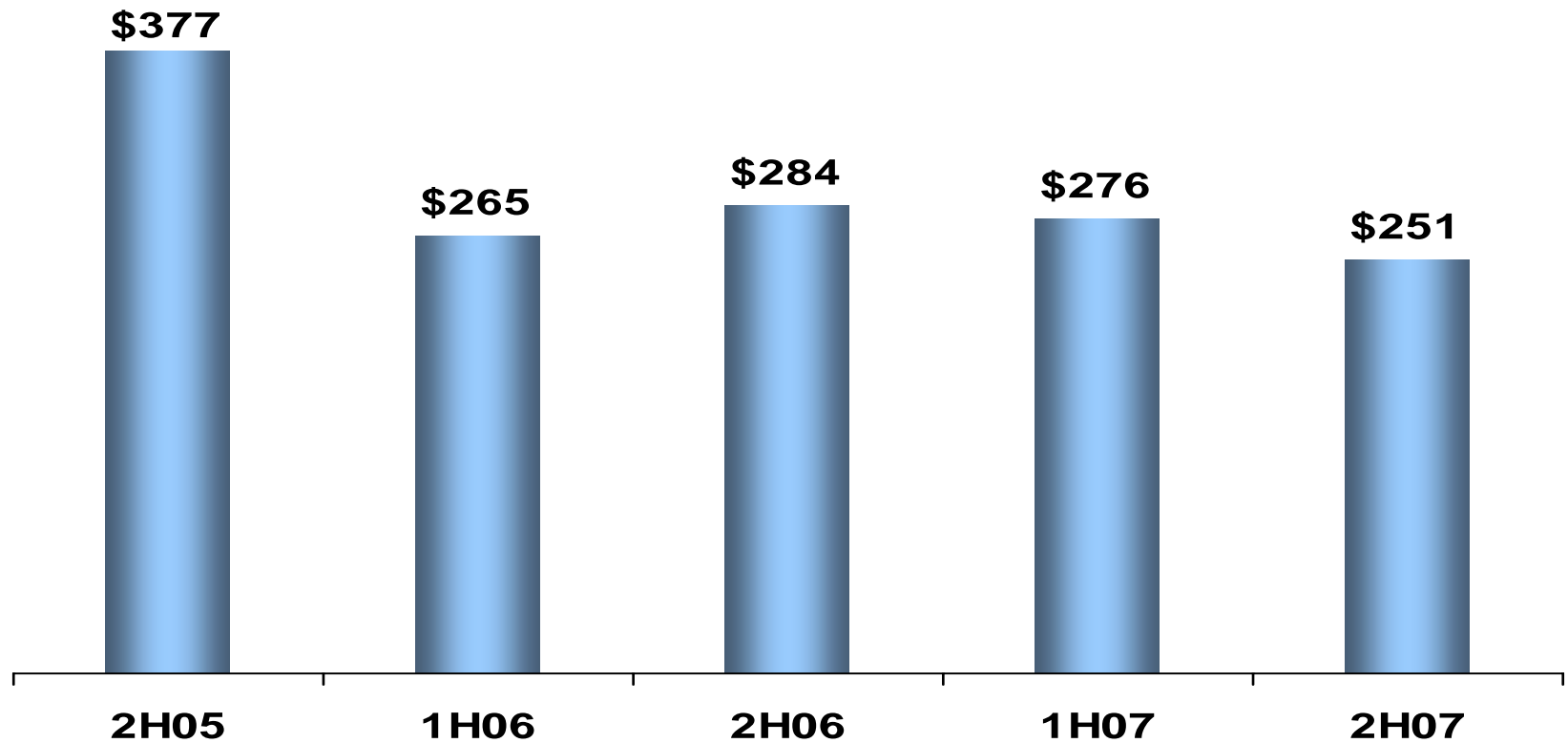
(\$million)



**4% increase half-on-half**



# 3 Customer Acquisition Costs

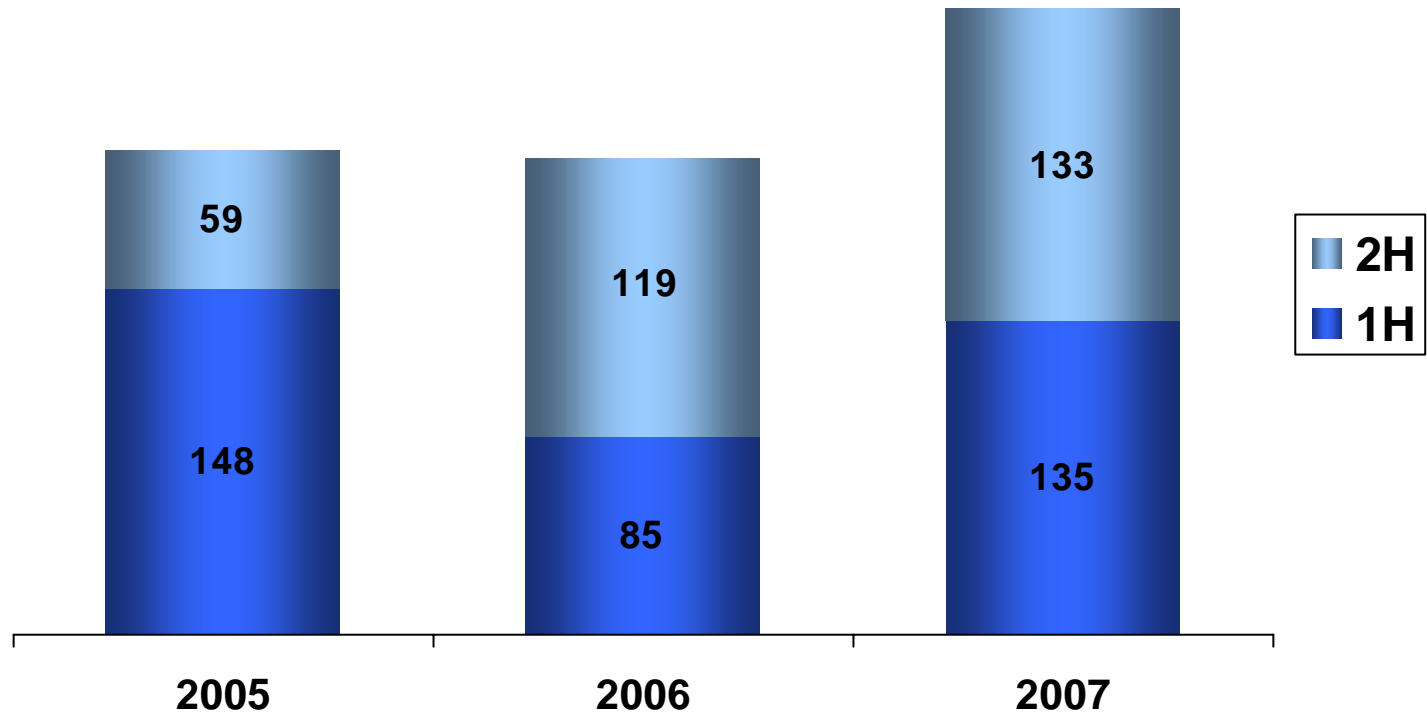


**CAC reduced despite highly aggressive market**



# CAPEX

(\$million)



Capacity build to support strong customer growth



# 2008 Outlook

- **Continued strong growth in a highly aggressive environment**
- **Further development of Mobile Broadband**
- **Maintain leadership in non-voice service innovation and usage**
- **Maintain focus on customer satisfaction to keep churn low**
- **Network upgrade in line with availability of handsets and devices**
- **Exit 2008 EBIT positive**

**Exit EBIT positive**



