

# Hutchison Telecommunications (Australia) Limited

## 2008 Half Year Results

Nigel Dews  
Chief Executive Officer  
19 August 2008



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Telecommunications operations of  
Hutchison Whampoa Limited



# Financial Highlights

- Net customer growth of 230,000 in the half
- Total revenue of \$760.9m, up 23.7%
- Total margin \$539.7m, up 28.0%
- Average monthly margin \$90.0m, up 28.0%
- EBITDA \$90.3m, up 187.6%
- EBIT loss \$31.1m, a 64.7% improvement
- Net loss \$85.4m, a 56.7% improvement

\* Unless otherwise stated, all % and \$ increases are from the prior corresponding period, Half year of 2007



# Operating Highlights

- Total 1.81 million customers, up 28.7%
- Net customer growth of 230,000 in the half
- 90.7% of base postpaid
- Postpaid churn low and steady at 1.1%
- 346,000 Mobile Broadband subscribers, up 322.0%
- 82.6 million internet access and Planet 3 events, up 35.4%
- 64.7% of customers using billed 3G services
- Non-voice ARPU \$19.67, 29.0% of total ARPU

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



# Key Financials

<i>(\$million)</i>	Half Year to 30 Jun 08	Half Year to 30 Jun 07	Change
Total revenue	760.9	615.0	23.7%
Service revenue	683.8	549.2	24.5%
EBITDA	90.3	31.4	187.6%
EBIT (loss)	(31.1)	(88.0)	64.7%
NPAT (loss)	(85.4)	(197.3)	56.7%
CAPEX	78.6	134.7	41.6%
Finance cost	(54.3)	(109.3)	50.3%

## Double digit growth

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

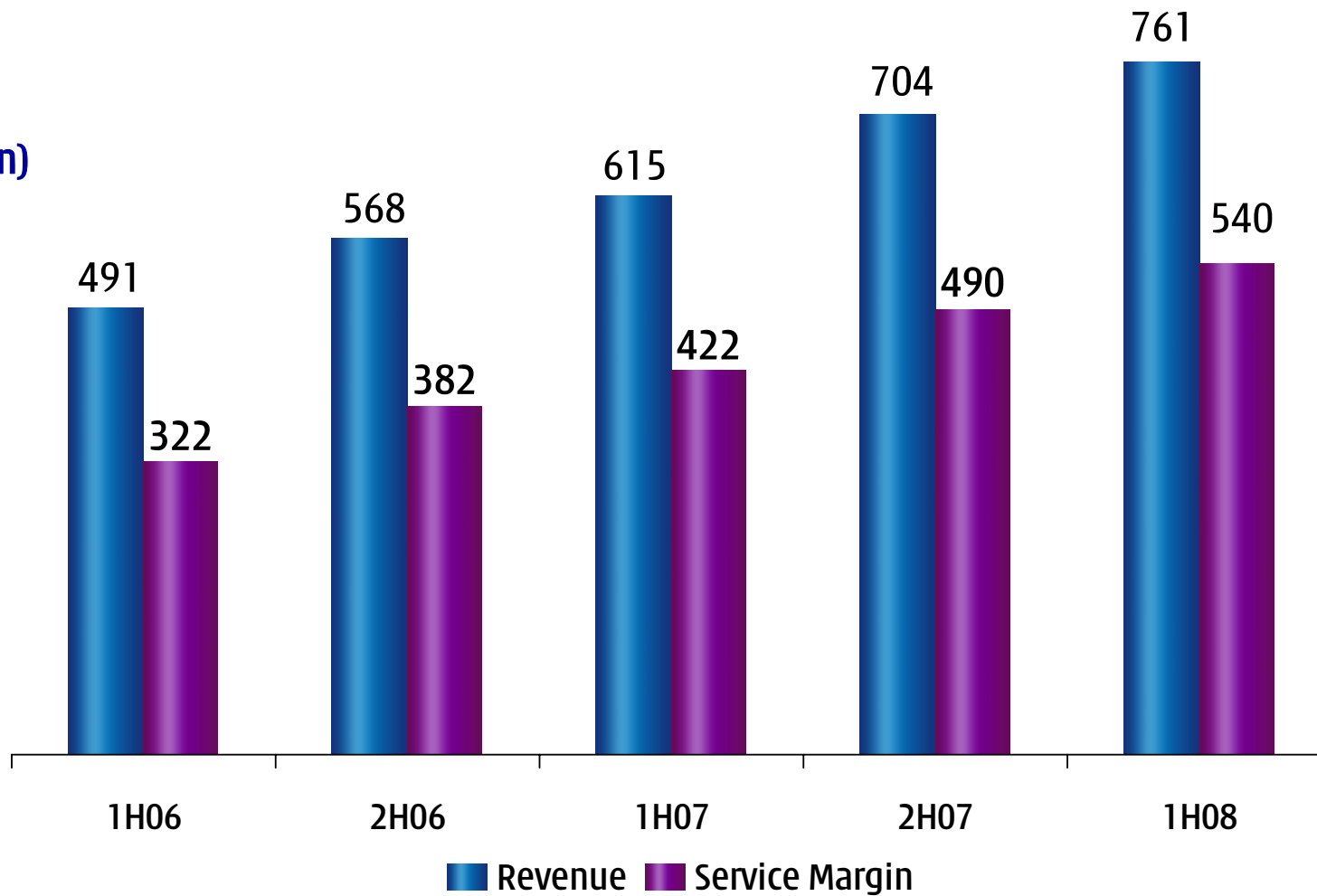
**EBITDA** represents service revenue less interconnect cost and running operating expenditure plus capitalised incremental direct acquisition and retention costs in accordance with AIFRS

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



# Revenue and Margin

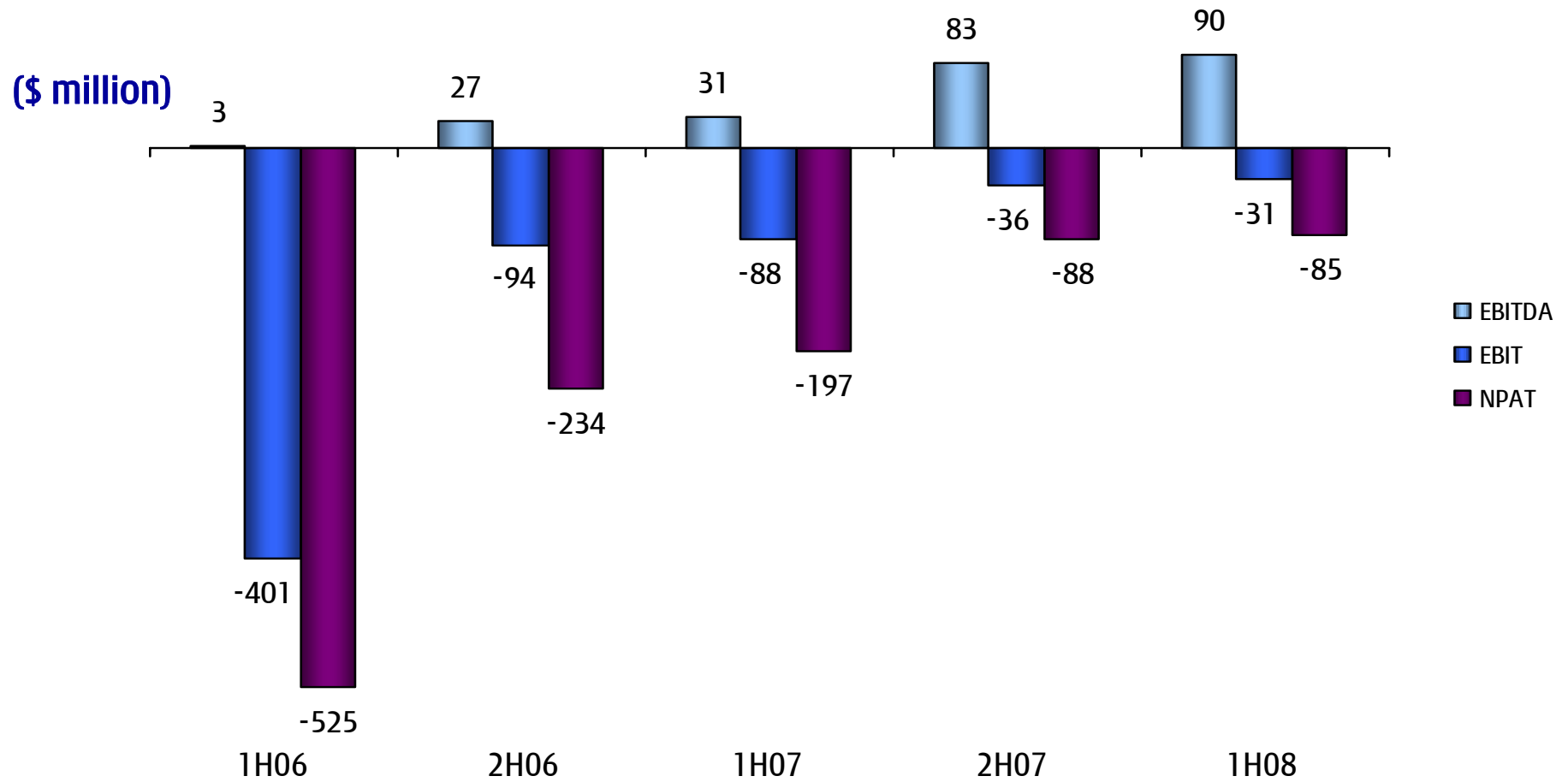
(\$ million)



Continued strong growth



# EBITDA, EBIT and NPAT

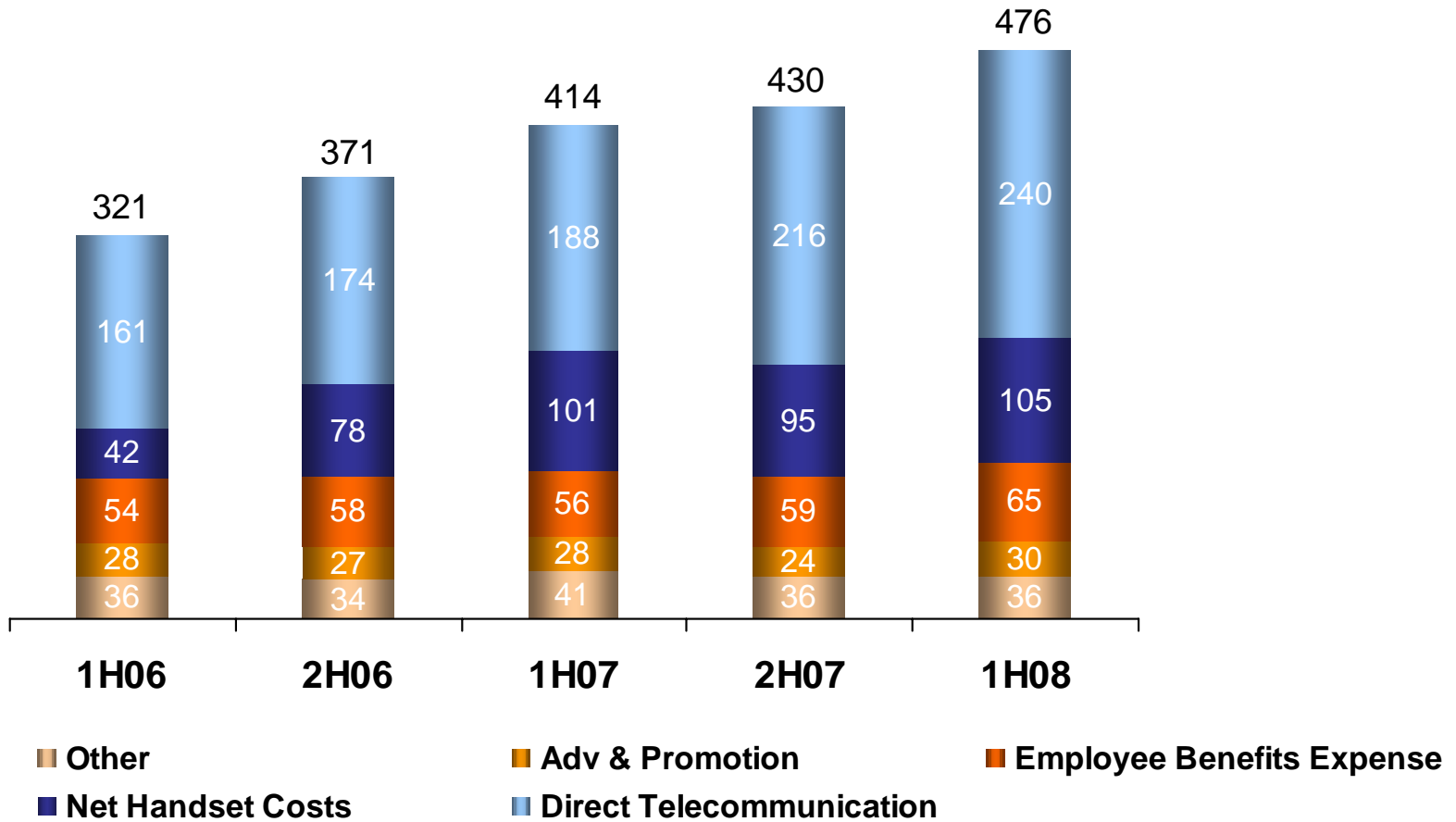


On track for EBIT positive



# Running Operating Expenditure

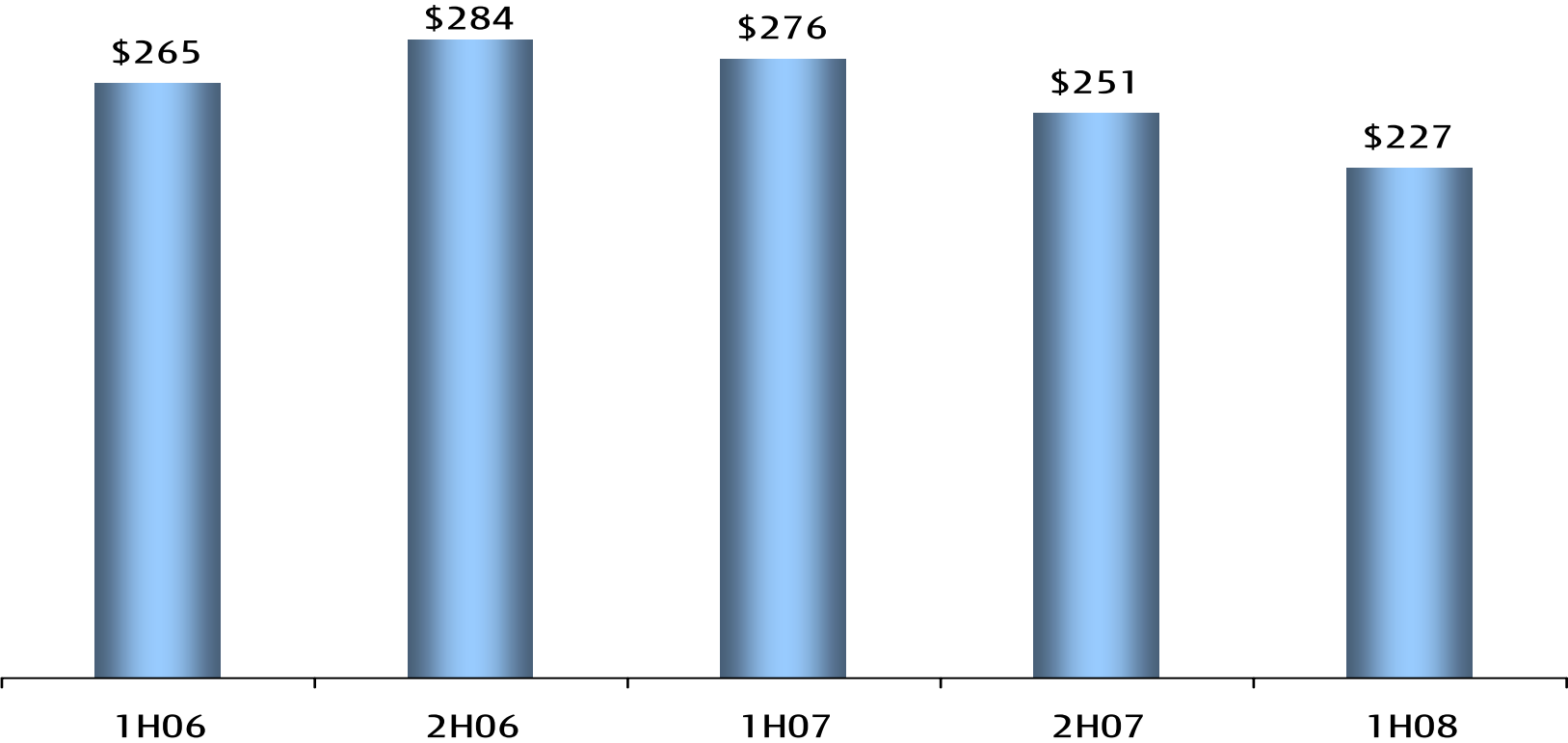
(\$million)



**Growth in roaming costs**



# Customer Acquisition Costs

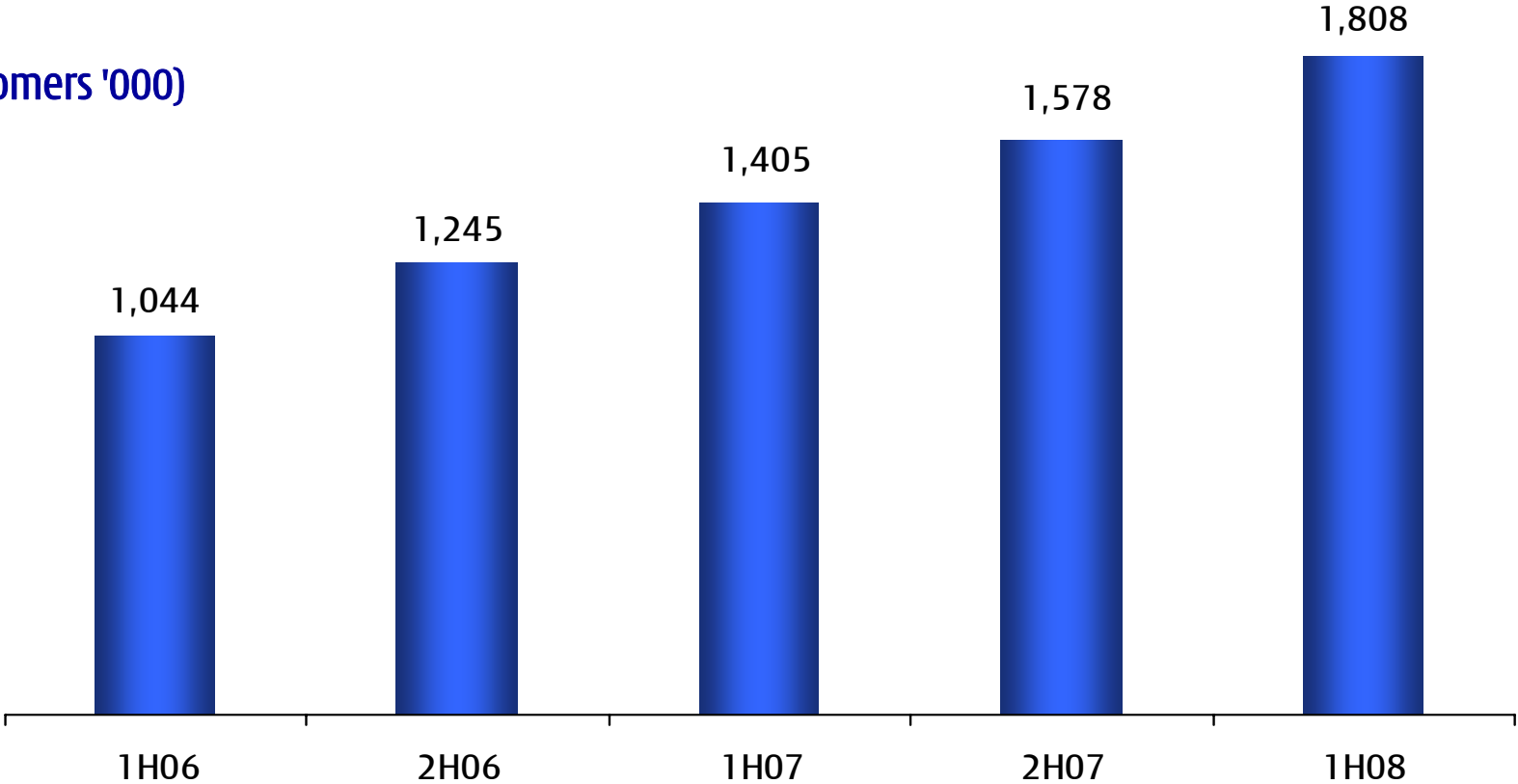


Reduction due to mobile broadband modems



# Customer Base

(Customers '000)

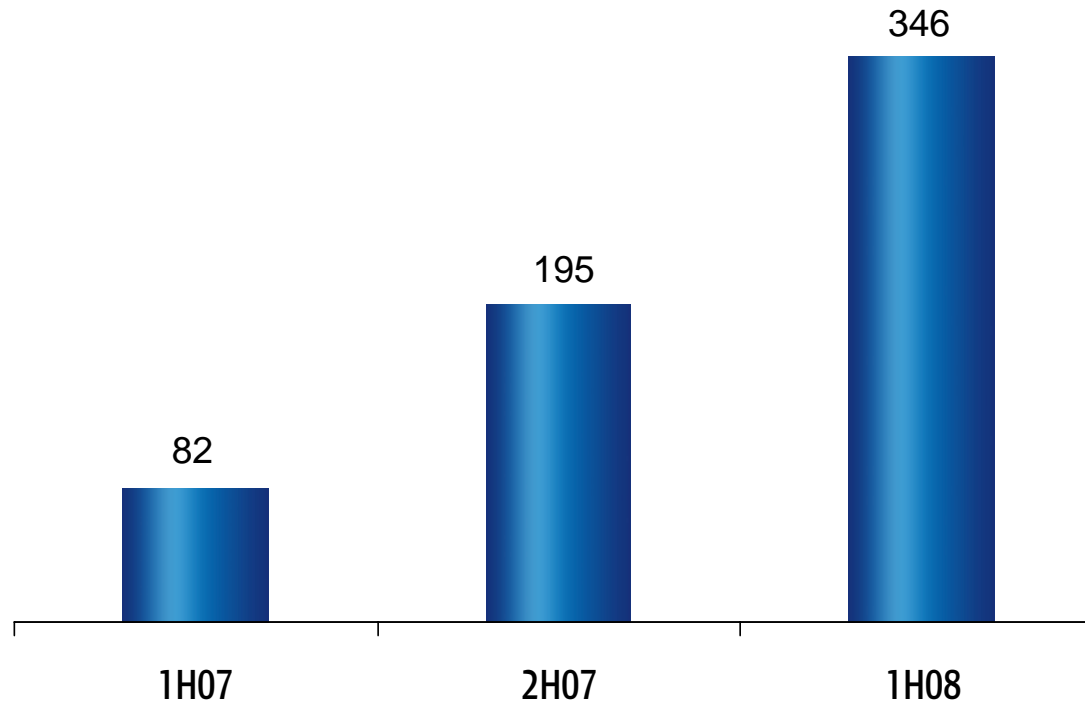


**230,000 net increase in subscribers**



# Mobile Broadband subscribers\*

(Customers '000)

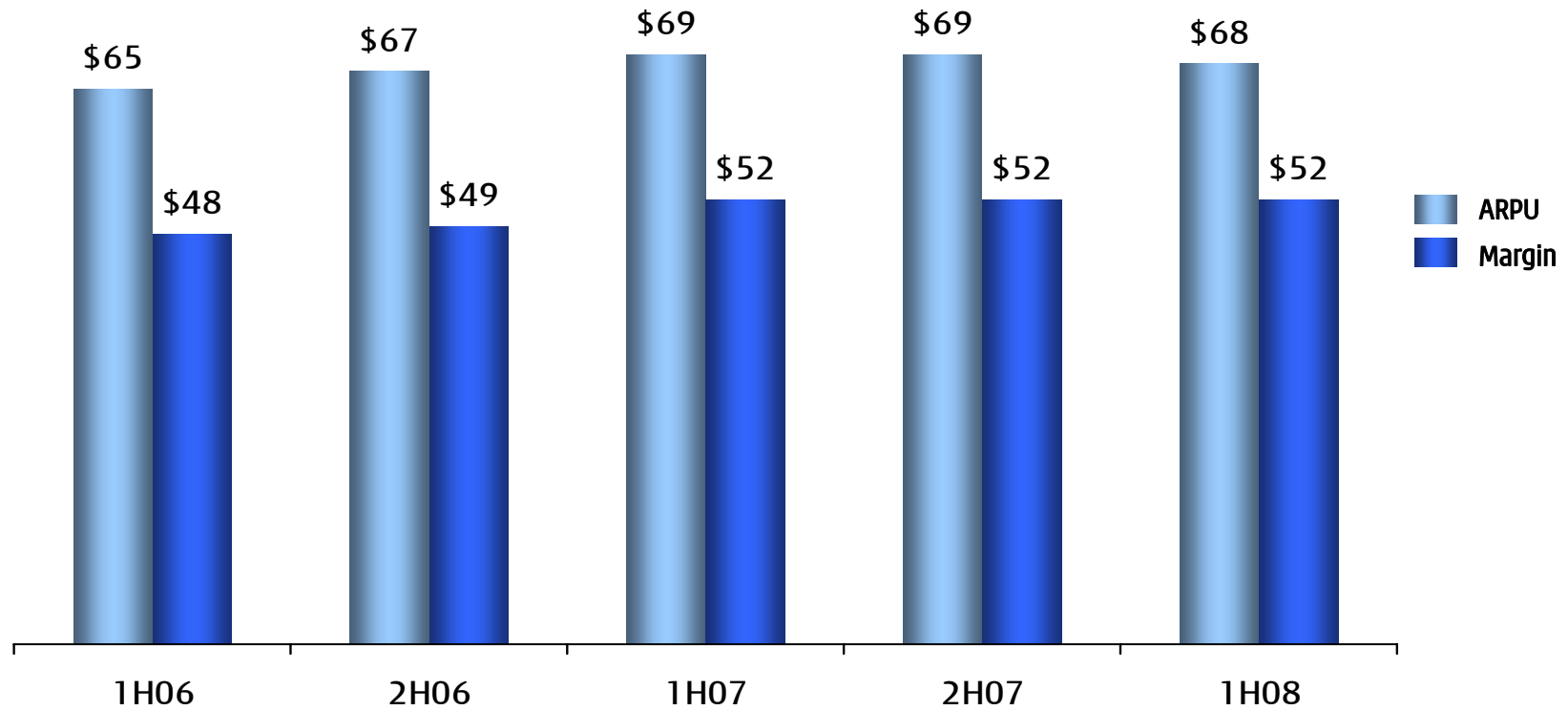


\*Mobile Broadband subscribers = Mobile Broadband cards, USB Modems, X-Series plans, Mobile Web plans and phones used as a modem

**Strong growth continues**



# Margin and ARPU

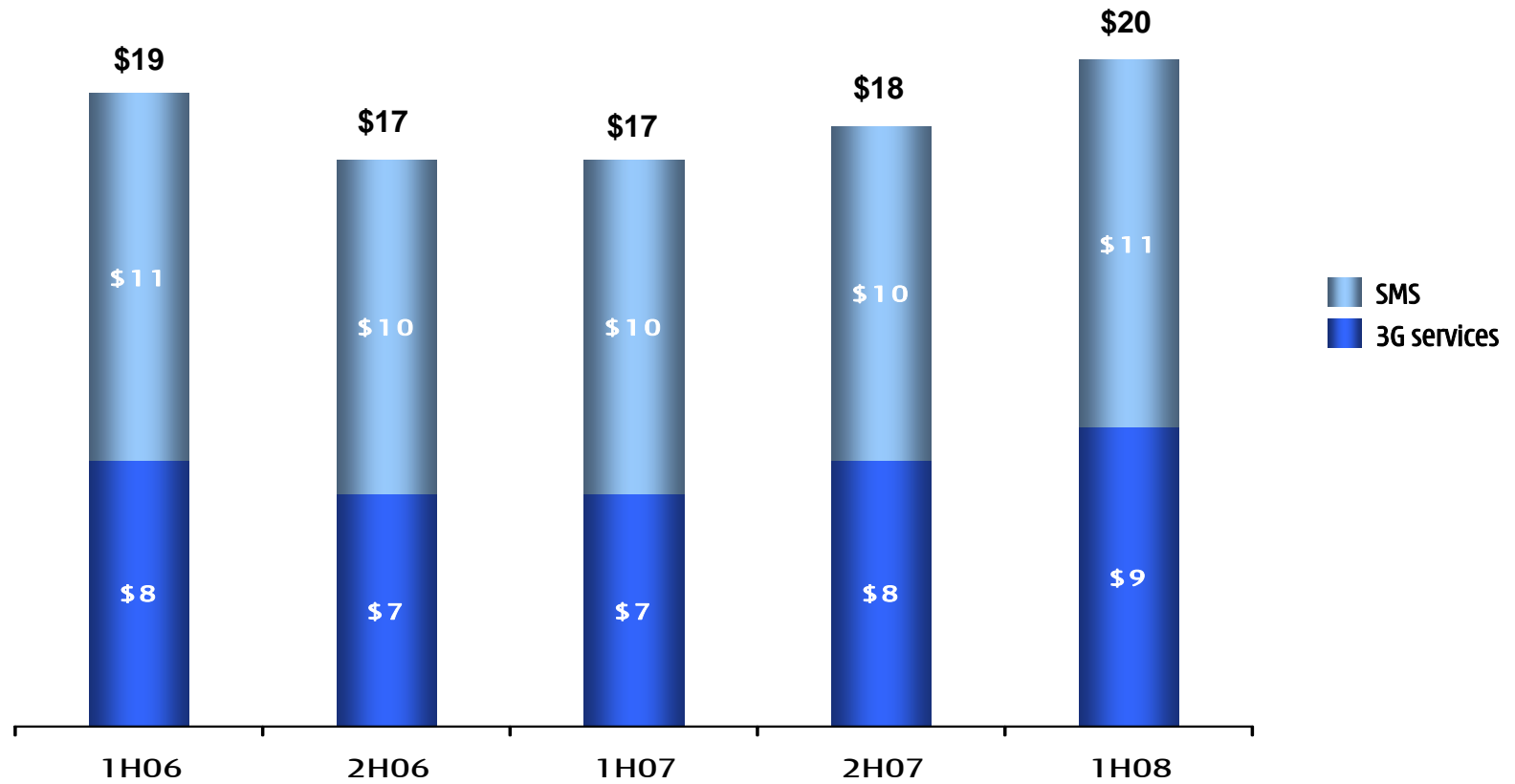


\* Blended Margin and ARPU

**Margin steady underpinned by non-voice strength**



# Non-voice ARPU



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

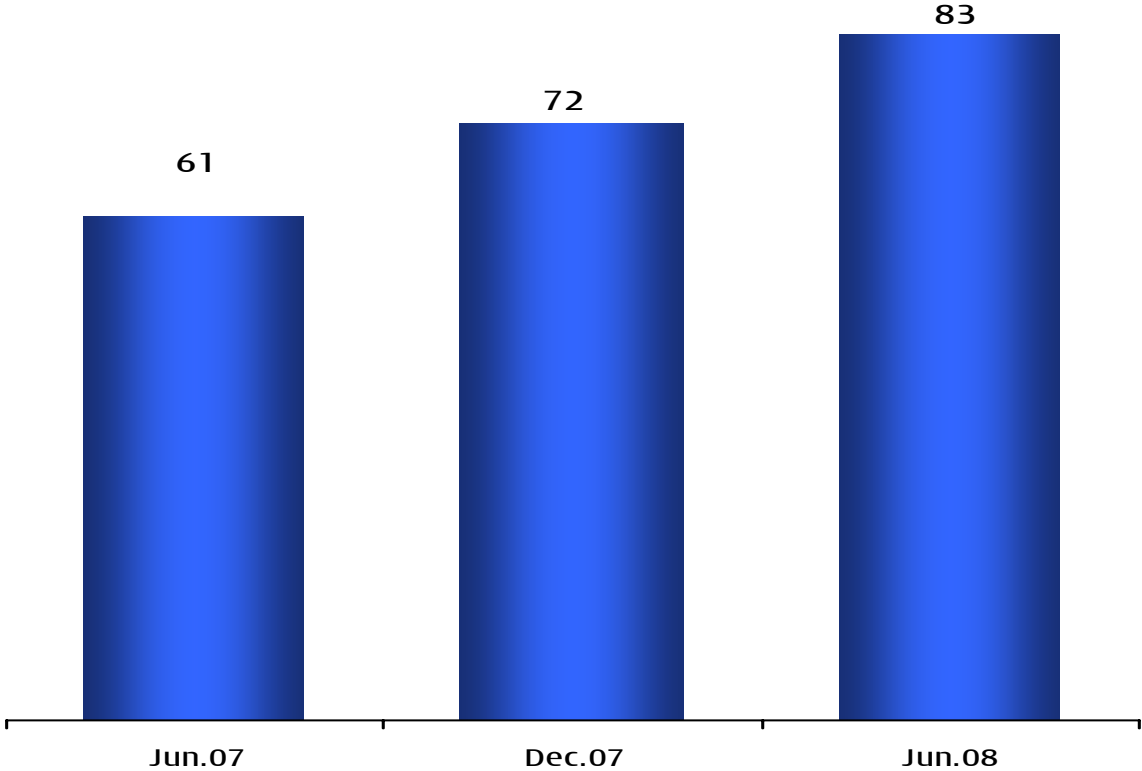
29% of ARPU is non-voice



# Non-voice usage

Internet and Planet 3 access events

(millions)

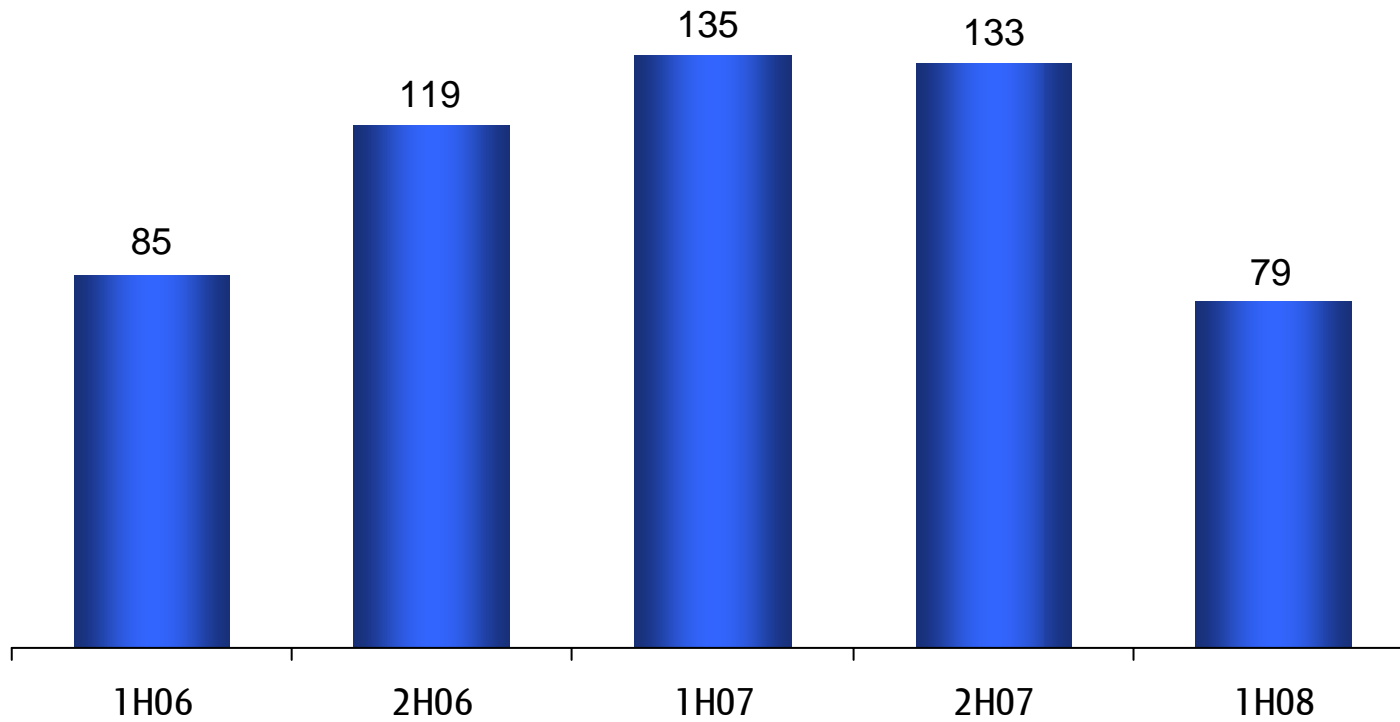


Steady growth in non-voice usage



# Capital Expenditure

(\$million)



Returning to 2006 level



# Network

- Expansion of 3G coverage to 96% of the population
  - Fringe build including 50 sites by year-end
  - 3G roaming on parts of Telstra's 850MHz network, in addition to 2G roaming
  - Reduction in wholesale roaming rates
- Upgrade to HSDPA 7.2 Mbps underway
- Existing infill program continues

Expansion of 3G coverage to 96%



# Outlook

- Maintaining strong customer growth
- Continued uptake of Mobile Broadband services
- Ongoing upgrade of network to 7.2 Mbps
- Network expansion in fringe areas
- Lower wholesale roaming rates
- Exit 2008 EBIT positive on a monthly basis

Exit 2008 EBIT positive on a monthly basis



