



**Hutchison** Telecom  
Hong Kong Holdings

# SEHK: 215 2009 Annual Results Presentation

8 March 2010



A Hutchison Whampoa Company

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# Business Performance

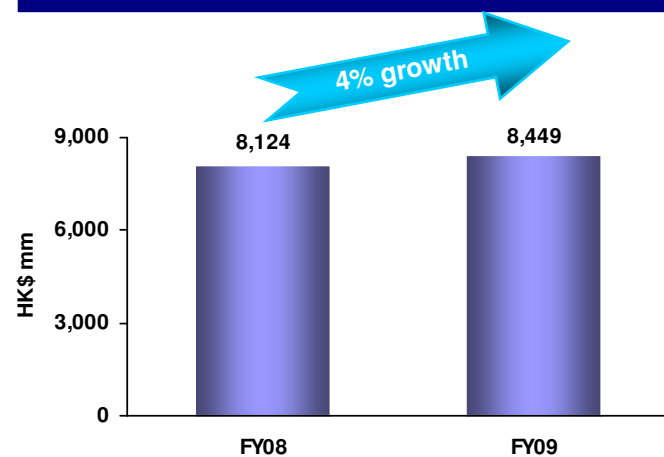
# Highlights

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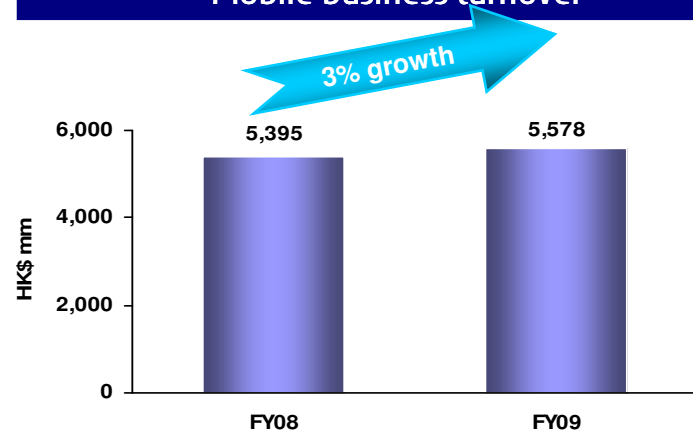
- 1 Consolidated turnover grew 4% to HK\$8,449 million
- 2 Mobile data revenue grew over 50% and operating profit increased by 97% to HK\$483 million
- 3 Fixed-line carrier market reported strong growth and operating profit increased by 10% to HK\$398 million
- 4 Profit attributable to equity holders increased 103% to HK\$468 million
- 5 Recommend final dividend per share of 6.16 HK cents

# 1 Turnover

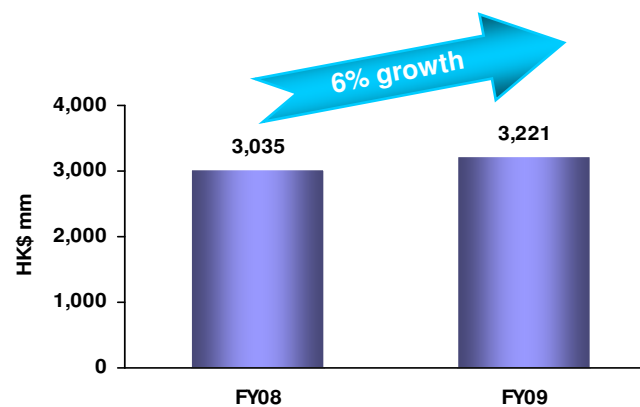
## Consolidated turnover



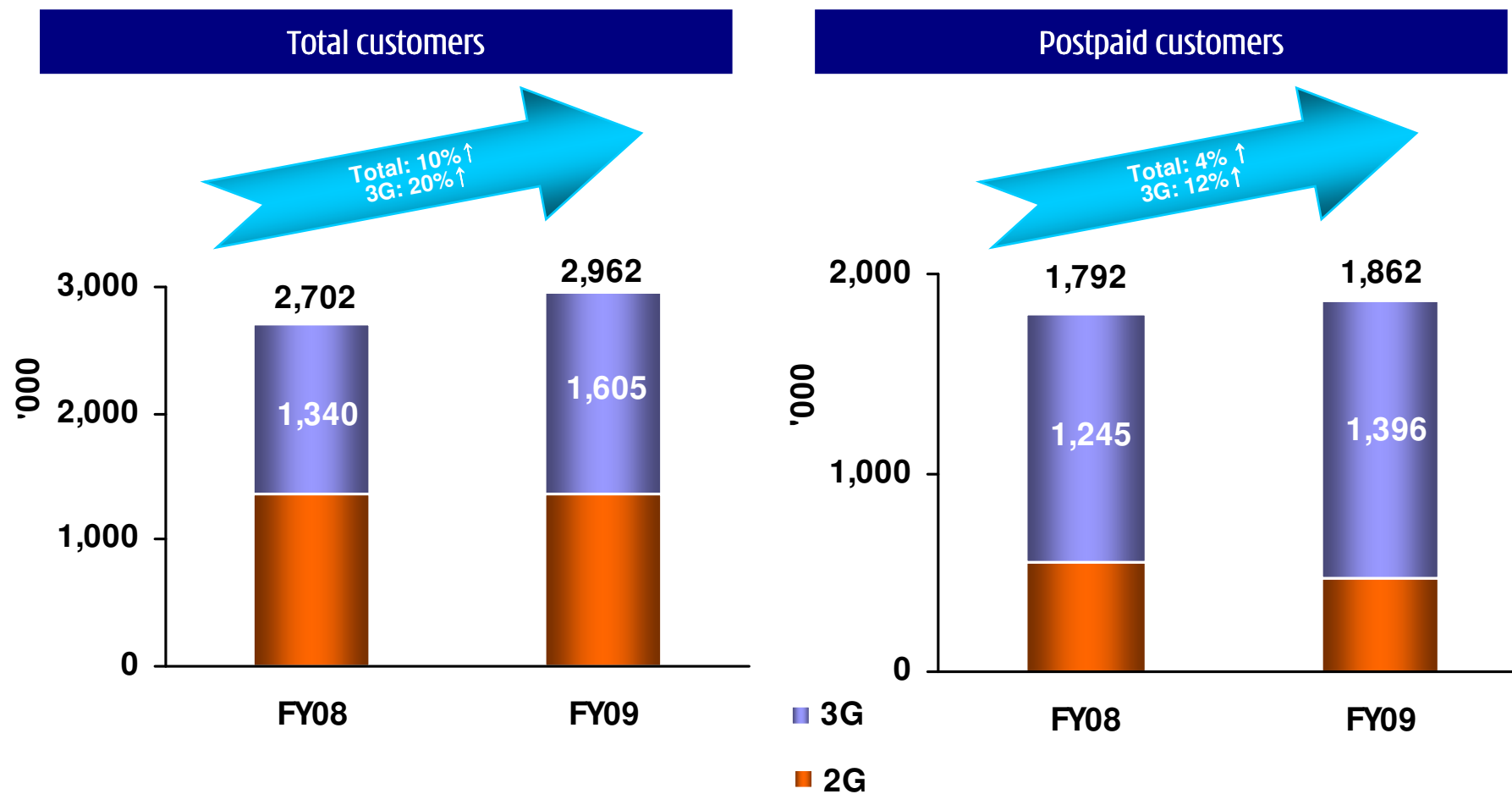
## Mobile business turnover



## Fixed-line business turnover



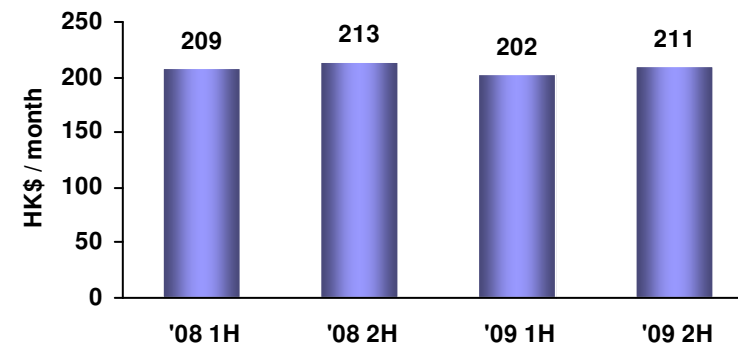
## 2 Mobile - customers



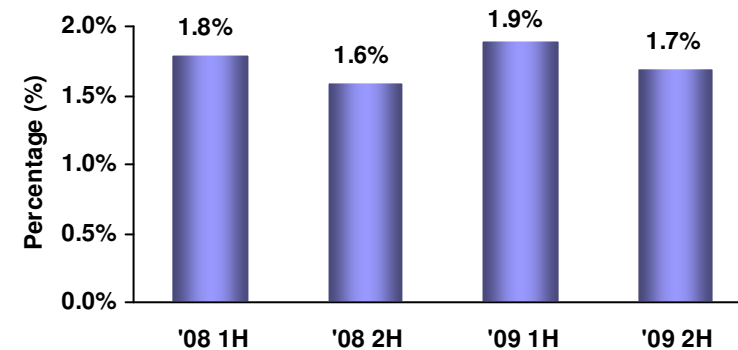
## 2 Mobile - KPIs

- Improving postpaid ARPU and churn under softened economy

Postpaid ARPU

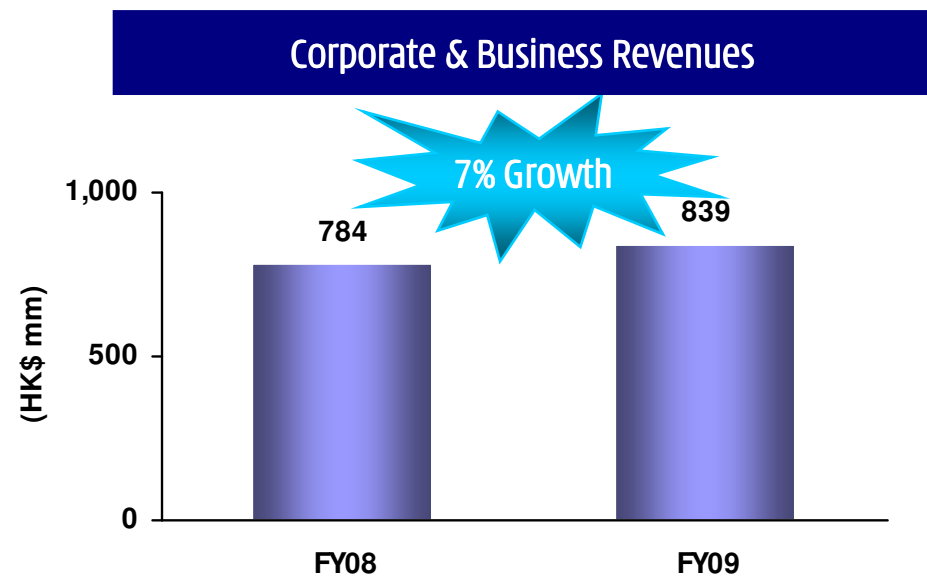
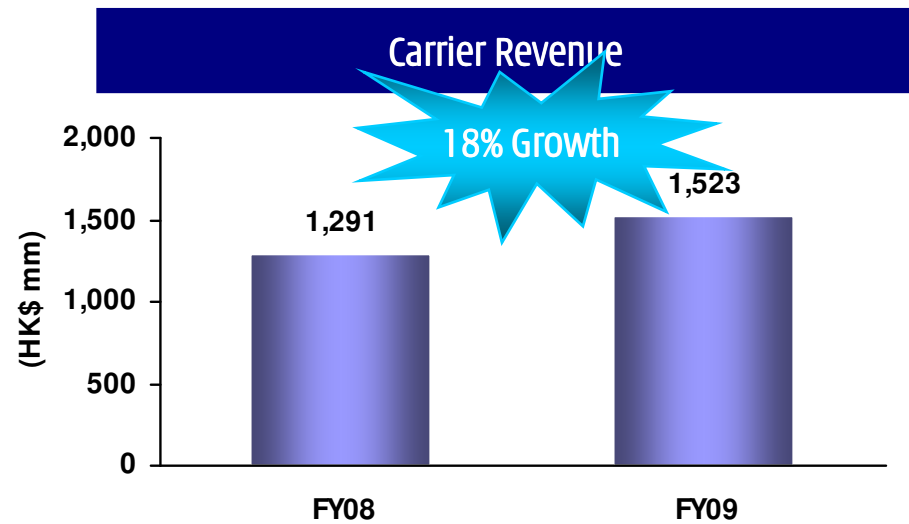


Postpaid churn



### 3 Fixed-line - key revenue drivers

- Focused and well-executed growth strategy

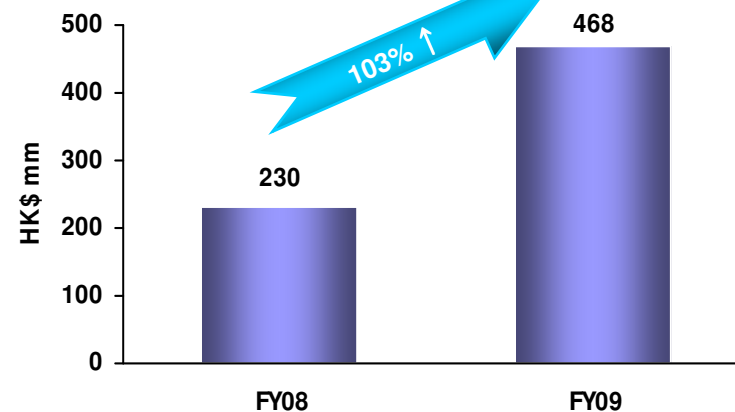


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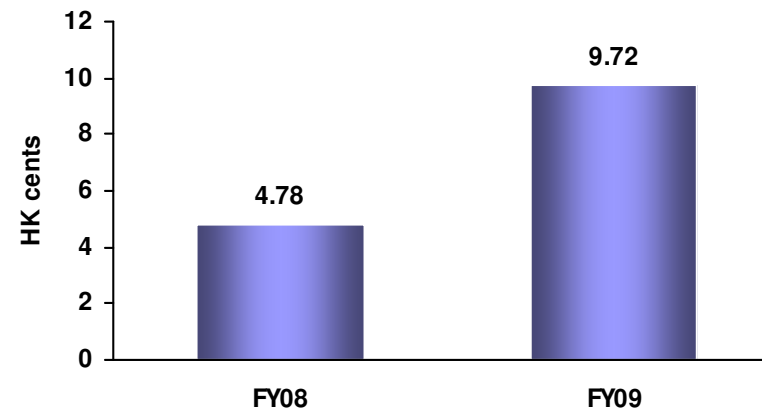
## Profit attributable to equity holders and EPS

- Double earnings

### Profit attributable to equity holders



### Earnings per Share



## 5 Delivering value to equity holders

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- **Solid cash flows and businesses growth**
  - strong consolidated results and operational cash flows
  - sound financial position and adequate pool of internal resources
- Recommended 2009 final dividend: 6.16 HK cents or HK\$297 million in total
- With inclusion of interim dividend at 1.12 HK cents,  
payout ratio: 75% of net profits

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# Financial Overview

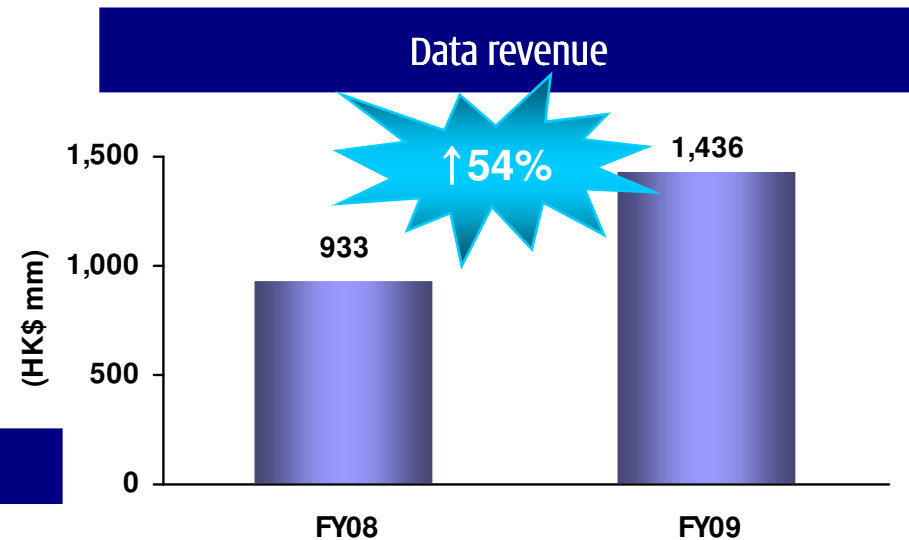
# Financial Highlights

|   | FY09<br>(HK\$m) | FY08<br>(HK\$m) |
|---|-----------------|-----------------|
| Turnover  | 8,449           | 8,124           |
| Cost of inventories sold                        | (756)           | (698)           |
| Staff costs                                     | (644)           | (630)           |
| Depreciation and amortisation                   | (1,288)         | (1,390)         |
| Other operating expenses                        | (4,974)         | (4,898)         |
| Operating profit                                | 787             | 508             |
| Interest income                                 | 4               | 17              |
| Interest and other finance costs                | (184)           | (223)           |
| Share of results of jointly controlled entities | (16)            | (11)            |
| Profit before taxation                          | 591             | 291             |
| Taxation  | (61)            | (73)            |
| Profit for the year                             | 530             | 218             |
| Attributable to:                                |                 |                 |
| Equity holders of the Company                   | 468             | 230             |
| Minority interests                              | 62              | (12)            |
|   | 530             | 218             |

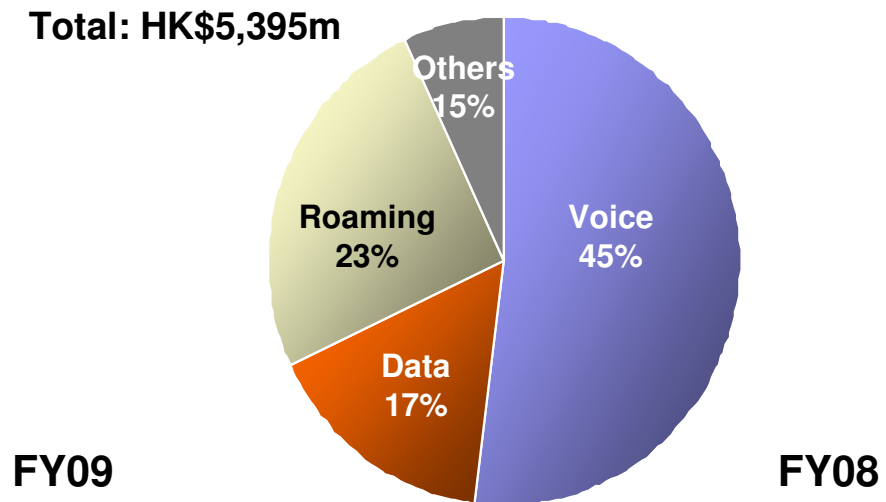
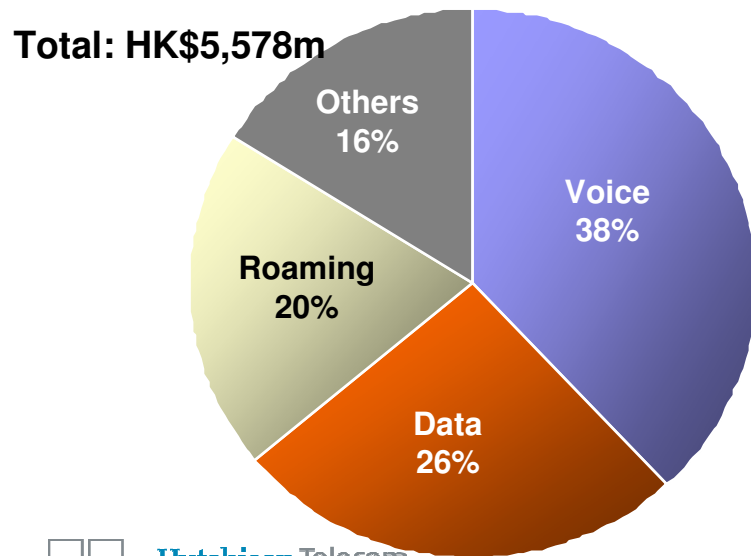


# Turnover – mobile business

- 54% data revenue growth

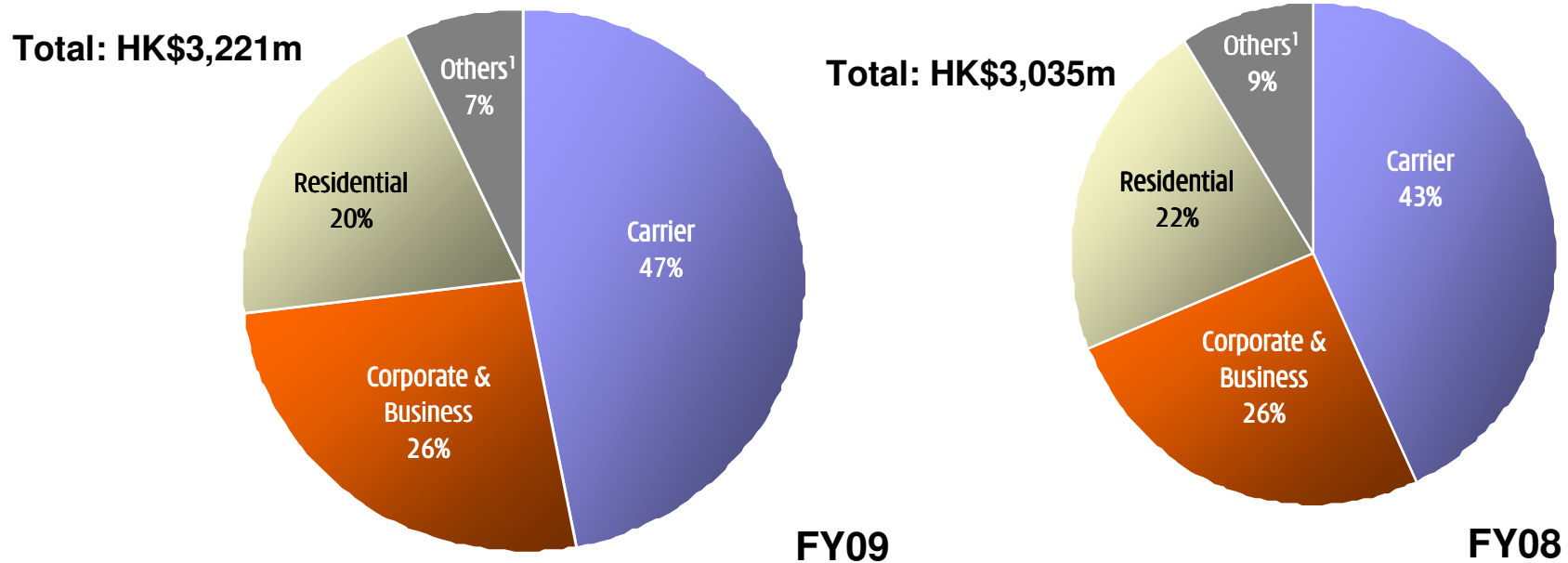


## Turnover analysis by segments



## Turnover - Fixed-line business

- Solid growth in Carrier, Corporate & Business markets



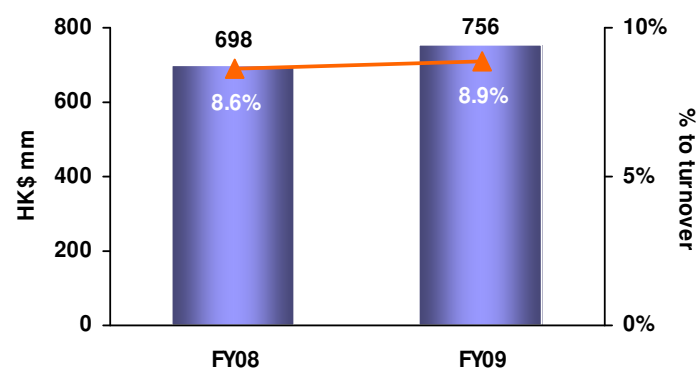
<sup>1</sup> Others include revenue from interconnection charges and data centers

# Financial Highlights

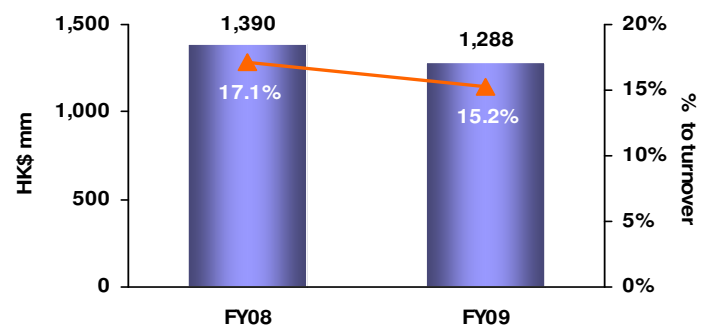
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# Key cost items

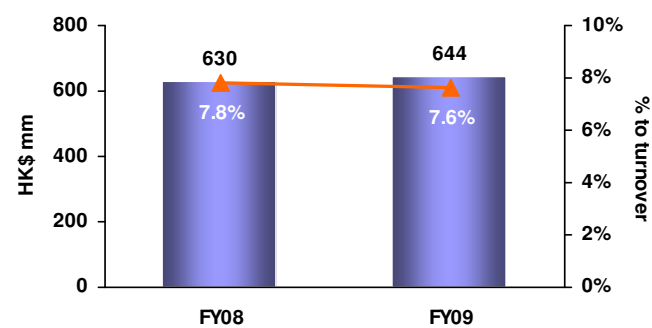
## Cost of inventories sold



## Depreciation and amortisation expenses



## Staff costs

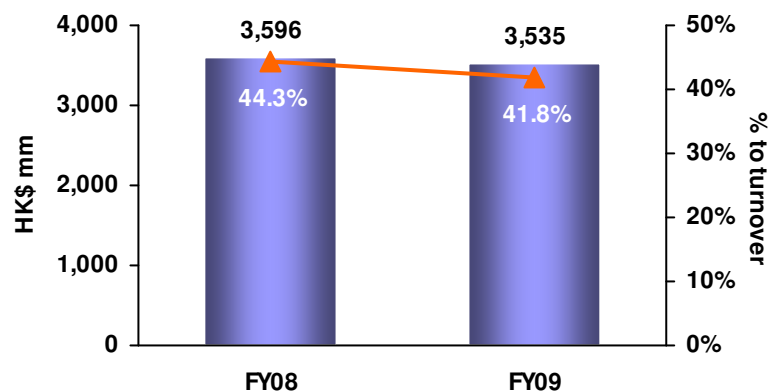


# Financial Highlights

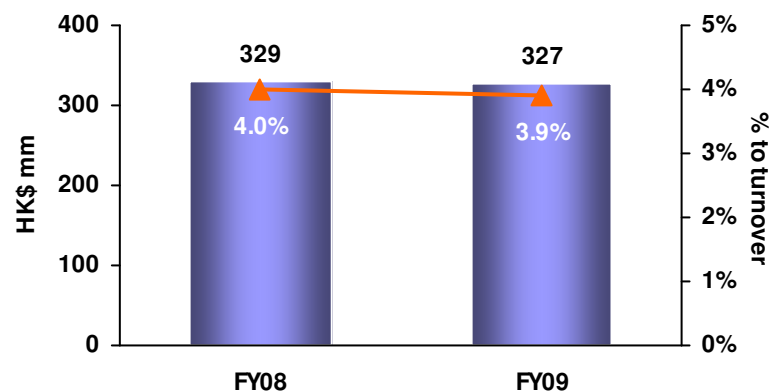
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# Other operating expenses

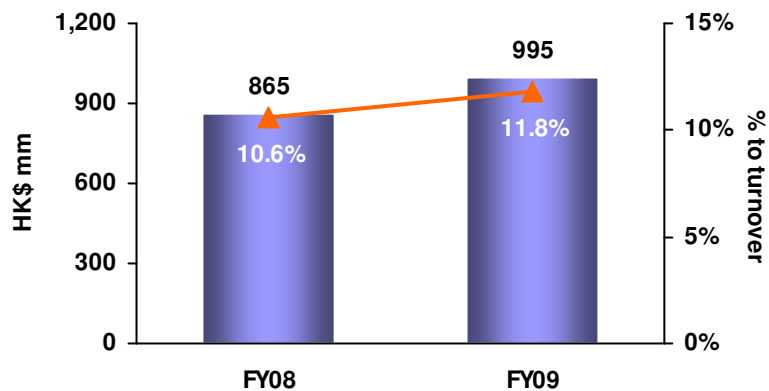
Cost of services provided



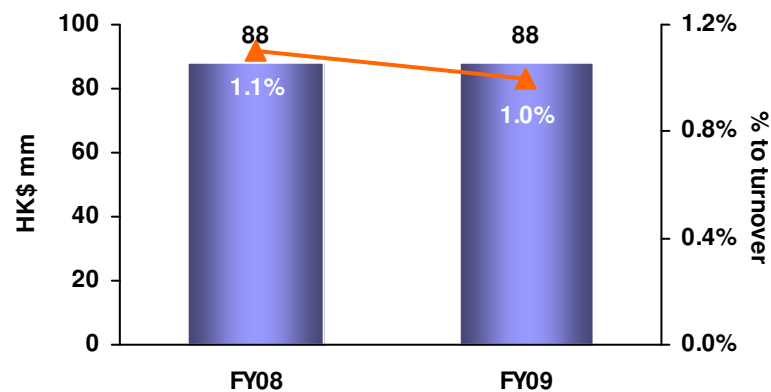
General, administrative and distribution costs



Operating lease rental expenses

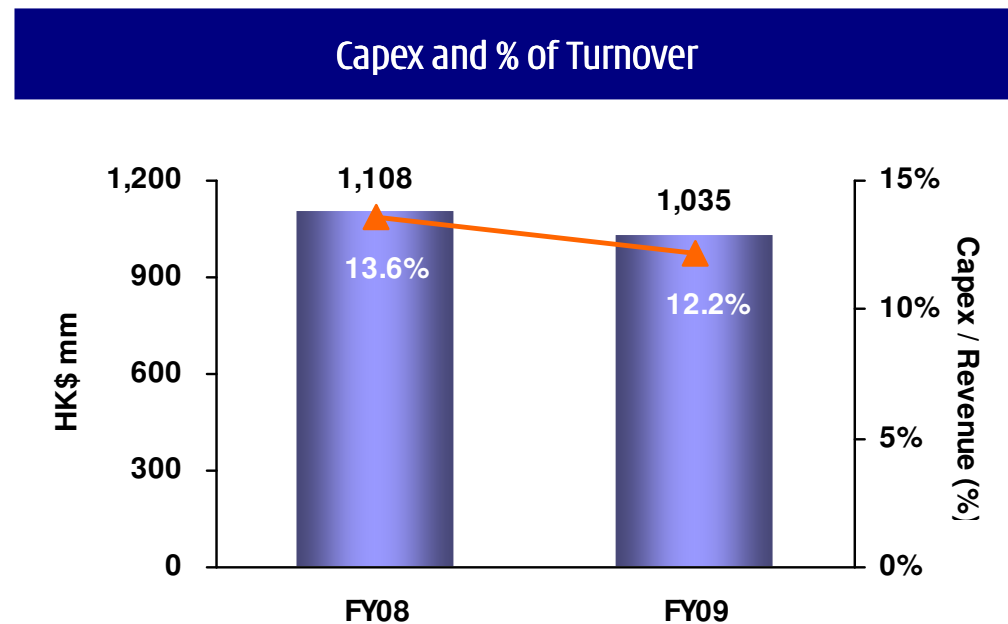


Doubtful debt expenses



# Capex

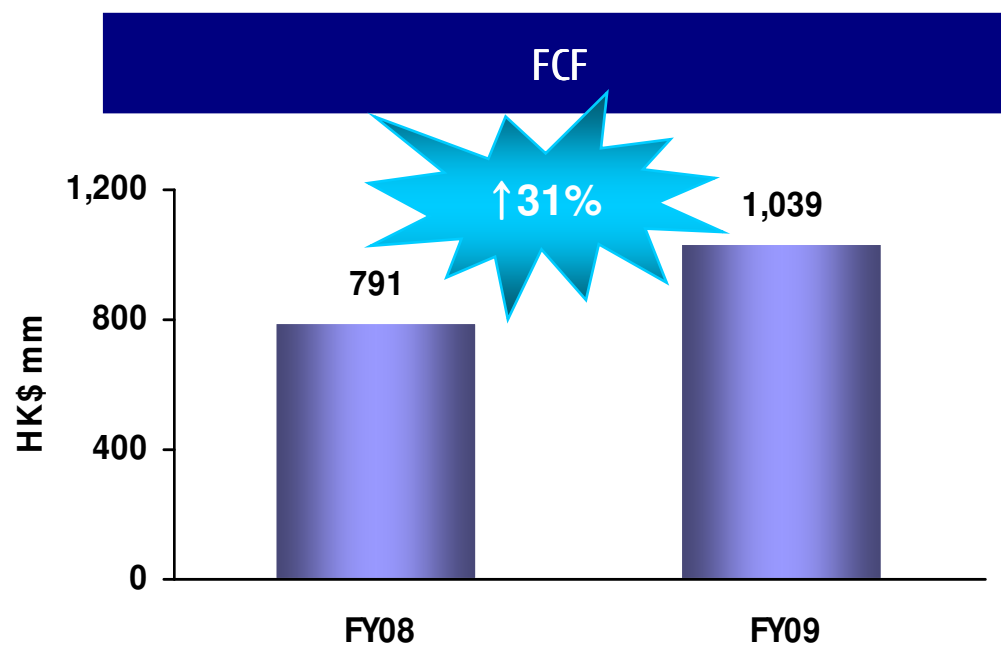
- Revenue driven Capex investment and scheduled network modernisation



# Liquidity

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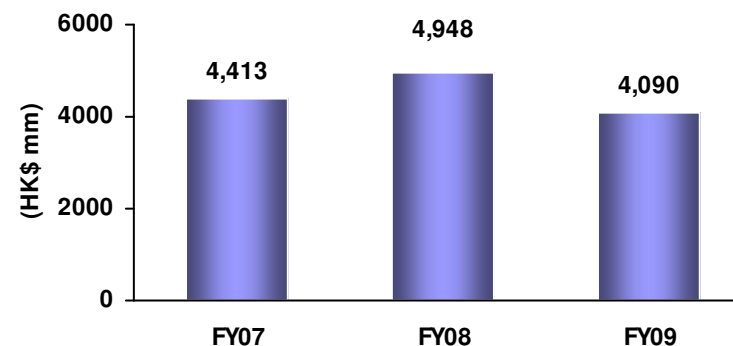
- Strong FCF to meet future liquidity needs



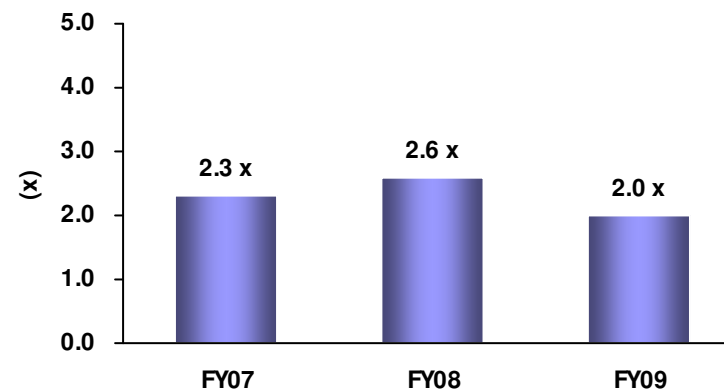
# Managing financial position

- Leverage ratio = 2
- 3-year HK\$5B bank facilities arranged in Dec 2009 with more favourable terms

Net Debt



Net Debt / LTM EBITDA



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# Outlook

# Outlook

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Well positioned to explore and capitalise on opportunities generated by upwardly-spiraling demand for bandwidth and increasing appetite for mobile data services.

- Bandwidth and Data
- Solid growth, delivering value

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# Q & A

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# Thank You