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# Hutchison Whampoa Limited

(incorporated in Hong Kong with limited liability)  
(Stock Code: 13)

## AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011 HIGHLIGHTS

	<b>2011</b>	2010	
	<b>HK\$</b>	HK\$	
	<b>millions</b>	millions	
		(Restated <sup>1</sup> )	Change
Total revenue <sup>2,3</sup>	<b>387,717</b>	319,096	+22%
EBITDA <sup>2,3</sup>	<b>80,352</b>	61,012	+32%
EBIT <sup>2,3</sup>	<b>51,370</b>	38,648	+33%
Profit attributable to ordinary shareholders, before property revaluation and profits on disposal of investments and others	<b>22,561</b>	16,614	+36%
Property revaluation after tax	<b>590</b>	3,565	-83%
Profit attributable to ordinary shareholders, before profits on disposal of investments and others	<b>23,151</b>	20,179	+15%
Profits on disposal of investments and others after tax <sup>4</sup>	<b>32,868</b>	-	
Profit attributable to ordinary shareholders	<b>56,019</b>	20,179	+178%
Earnings per share	<b>HK\$13.14</b>	HK\$4.73	+178%
Recurring earnings per share <sup>5</sup>	<b>HK\$5.29</b>	HK\$3.90	+36%
Final dividend per share	<b>HK\$1.53</b>	HK\$1.41	+8.5%
Full year dividend per share	<b>HK\$2.08</b>	HK\$1.92	+8.3%

Note 1: 2010 results have been restated to reflect the Group's early adoption of amendments to HKAS 12. See note 1 to the accounts.

Note 2: Total revenue, earnings before interest expenses and other finance costs, tax, depreciation and amortisation ("EBITDA") and earnings before interest expenses and other finance costs and tax ("EBIT") include the Group's share of associated companies' and jointly controlled entities' revenue, EBITDA and EBIT respectively.

Note 3: Total revenue reduced by HK\$1,789 million and HK\$6,253 million for 2011 and 2010 respectively, EBITDA reduced by HK\$1,187 million and HK\$3,976 million for 2011 and 2010 respectively and EBIT reduced by HK\$890 million and HK\$3,345 million for 2011 and 2010 respectively, being adjustments to exclude non-controlling interests' share of revenue, EBITDA and EBIT of the Hutchison Port Holdings Trust ("HPH Trust") operations in order to reflect the Group's effective interest in the HPH Trust operations in the two years.

Note 4: The profits on disposal of investments and others after tax comprises a gain on Initial Public Offering ("IPO") of HPH Trust of HK\$44,290 million, partially offset by impairment charges on certain port assets of HK\$7,110 million and on Vietnam telecommunications assets of HK\$2,997 million, and a write-off of fixed assets of HK\$1,315 million by 3 UK.

Note 5: Recurring earnings per share is calculated based on profits attributable to ordinary shareholders excluding the profits on investment property revaluation after tax of HK\$590 million and disposal of investments and others after tax of HK\$32,868 million.

- Total revenue grew 22% to HK\$387,717 million.
- EBITDA and EBIT, before property revaluation gains and profits on disposal of investments and others, grew 32% and 33% respectively.
- Profit attributable to ordinary shareholders and earnings per share, before property revaluation gains and profits on disposal of investments and others, grew 36%.
- Profit attributable to ordinary shareholders and earnings per share increased 178% to HK\$56,019 million and HK\$13.14 respectively.

## CHAIRMAN'S STATEMENT

The Group's operations performed very well during 2011 despite global economic uncertainty that affected all of the markets and sectors in which we operate to varying degrees. The Group also substantially strengthened its balance sheet during the year through successful equity capital markets transactions. In addition, the Group completed one major infrastructure acquisition and continued to explore merger and acquisition opportunities to expand our asset and earnings base for the future.

The resilience of the Group's businesses was clearly demonstrated by strong recurring revenue, earnings and cashflow growth. All core operating divisions reported increases in their recurring contributions.

### Results

The Group's profit attributable to ordinary shareholders for the year was HK\$56,019 million, a 178% increase compared to last year's restated profit of HK\$20,179 million. Earnings per share were HK\$13.14 as compared to 2010 restated of HK\$4.73.

Excluding the profits on investment property revaluation after tax of HK\$590 million and the disposal of investments and others of HK\$32,868 million, profit attributable to ordinary shareholders totalled HK\$22,561 million in 2011, 36% higher than the restated results in 2010 and recurring earnings per share were HK\$5.29.

### Dividends

The Board recommends the payment of a final dividend of HK\$1.53 per share, an 8.5% increase (2010 – HK\$1.41 per share), payable on Monday, 11 June 2012 to those persons registered as shareholders of the Company on Thursday, 31 May 2012, being the record date for determining the shareholders' entitlement to the proposed final dividend. Combined with the interim dividend of HK\$0.55 per share, the full year dividend amounts to HK\$2.08 per share (2010 – HK\$1.92 per share), an 8.3% increase.

***Ports and Related Services***

The ports and related services division handled 75.1 million twenty-foot equivalent units (“TEU”) during the year. Although throughput growth was flat, total revenue of HK\$32,518 million, EBITDA of HK\$11,745 million and EBIT of HK\$8,226 million were 12%, 14% and 14% higher respectively than last year when analysed on a like-for-like basis<sup>1</sup>.

In the first quarter of 2011, the ports division successfully executed the establishment and IPO of the HPH Trust, resulting in a gain of HK\$44,290 million and a significant strengthening of the Group’s overall balance sheet and liquidity profile. In the second quarter of 2011, following the IPO of the HPH Trust, a strategic review of its ports portfolio, and assessment of the market opportunities, the Group recognised impairment charges on certain port assets totalling HK\$7,110 million.

In the second half of 2011, the division started commercial operation of two new deep-water berths in the Port of Felixstowe, the UK’s largest container port, and acquired operating rights to four berths in Ajman Port in the United Arab Emirates under a ten-year concession agreement.

Going forward, the division will continue to invest in increased productivity and cost efficiency, as well as in selective expansion of its global footprint. In 2012, the division will open six new berths including the first three of five berths in the first phase of Terminal Catalunya’s new Muelle Prat terminal in Barcelona, Spain, which will be one of the most modern semi-automated facilities in the world and will serve Southern Europe in addition to Spain. It will also bring into service the first of two berths at the new Huizhou International Container Terminal in the Mainland and one additional berth in Westports Malaysia. The division’s green field port in Brisbane, Australia will commence operation in the fourth quarter of 2012. In addition to the six new berths to be opened in 2012, nine berths are expected to come into operation in 2013, including two berths from the division’s green-field port in Sydney, Australia.

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<sup>1</sup> To enable a better comparison of underlying performance, revenue, EBITDA and EBIT for 2010 only reflect the Group’s attributable share of results based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011 so that the year-on-year changes can be calculated on a like-for-like basis.

### ***Property and Hotels***

The property and hotels division reported total revenue of HK\$17,226 million, a 7% increase compared to 2010. EBITDA and EBIT increased 7% and 8% to HK\$9,903 million and HK\$9,517 million respectively.

The division's 12.0 million square foot portfolio of rental properties in Hong Kong, together with our attributable share of 1.8 million square foot portfolio in the Mainland and overseas, reported a solid occupancy profile and steady rental growth although reported revenue declined by 2% due to the sale of Beijing Oriental Plaza to Hui Xian REIT. Together these contributed HK\$3,859 million in revenue, HK\$3,526 million in EBITDA and HK\$3,478 million in EBIT. Our portfolio is of a high quality and is well located, and I expect, will continue to perform well in 2012 despite some increasing pressure on office rentals in Hong Kong.

The division's hotel portfolio of 9,370 rooms in 12 hotels, which includes over 6,000 rooms in 8 hotels in Hong Kong, reported strong revenue growth and very strong earnings growth. This reflects both healthy tourist arrivals in Hong Kong as well as a strong focus on productivity and cost efficiency which has resulted in some of our hotels achieving the highest average returns per square foot among all our investment properties.

Our residential property development activities are principally focused on the Mainland, where Government initiatives aimed at preventing residential property price inflation resulted in a slowdown in 2011. During 2011, we sold an attributable interest of approximately 6 million square feet of developed properties and we also added an attributable interest of approximately 6 million square feet to our landbank. The division's current attributable interest in landbank is approximately 99 million developable square feet, largely held through jointly controlled entities with Cheung Kong (Holdings) Ltd. Together, market conditions permitting, we expect to complete an attributable share of approximately 13.2 million square feet in gross floor area of residential and commercial properties during 2012 in Hong Kong and Singapore as well as in 13 cities in the Mainland including Chengdu, Shenzhen, Guangzhou, Xian and Dongguan.

### ***Retail***

The retail division delivered a very strong contribution to revenue, cashflow and earnings growth in 2011. Total revenue of HK\$143,564 million was 17% higher than last year. EBITDA increased 16% to HK\$11,724 million and EBIT increased 19% to HK\$9,330 million.

The division's performance in Europe, despite the uncertain economic conditions there, was particularly satisfying. The division's operations in Europe overall maintained both total sales and like-for-like sales growth and operating margin growth in difficult environments.

The division also reported very strong growth in Asia, and in the

Mainland, where it opened its 1,000th store, and now has a presence in 180 cities. Total store numbers worldwide exceeded 10,000 for the first time in 2011, a major milestone for the Group.

Looking into 2012 and beyond, I expect the AS Watson Group to continue to grow its retail store number, particularly in Asia and the Mainland, where economic growth is expected to be robust.

***Cheung Kong  
Infrastructure***

CKI, our Hong Kong listed subsidiary, announced revenues (including its share of jointly controlled entities' revenue) of HK\$5,025 million and profit attributable to shareholders of HK\$7,745 million, a growth of 21% and 54% respectively over last year.

CKI's investments in UK Power Networks Holdings Limited, which completed in the last quarter of 2010 and Northumbrian Water Group Limited which completed in October 2011 provided positive profit contributions, resulting in a very significant year-on-year increase in CKI's reported earnings and earnings per share, and a corresponding increased contribution to the Group. Looking forward, CKI's earnings in 2012 will benefit from the first full year of profit contribution from Northumbrian Water in 2012.

***Husky Energy***

Husky Energy, our associated company listed in Canada, announced revenues, net of royalties, of C\$23,364 million, 37% above last year, driven by strong production growth, higher realised crude oil prices and stronger refinery margins. Average production in 2011 was 312,500 barrels of oil equivalent per day ("BOEs per day") compared to 287,100 BOEs per day in 2010, a reversal of the trend of declining production in the last few years. Net earnings of C\$2,224 million in 2011 were 135% higher than last year correspondingly, Husky Energy's contribution to the Group increased significantly compared to 2010.

Husky Energy is currently undertaking two very substantial capital projects in Deep Water Natural Gas development (Liwan 29/26 project) in the South China Sea and Oil Sands development (Sunrise Energy Project) in Canada. The Liwan project is expected to begin production in late 2013 / early 2014. Sunrise Energy Project will begin production mid 2014. Both projects are presently on schedule and on budget. Production from the Liwan 3-1 and Liuhua 34-2 fields of the Liwan 29/26 project is expected to ramp up through 2014 towards approximately 300 million cubic feet per day; while the first phase of the Sunrise Energy Project is expected to produce approximately 60,000 barrels per day (30,000 barrels per day net to Husky Energy). Husky Energy estimates the total petroleum-initially-in-place for Block 29/26 to be in the range of 2.6 to 3.0 trillion cubic feet of gas of which Husky Energy's share is 49% and the Sunrise Energy Project to have approximately 3.7 billion barrels of proved, probable and possible bitumen reserves of which Husky Energy's share is 50%.

***Hutchison  
Telecommunications  
Hong Kong***

Hutchison Telecommunications Hong Kong Holdings (“HTHKH”), our Hong Kong listed telecommunications subsidiary operating in Hong Kong and in Macau announced revenue of HK\$13,407 million, an increase of 36% over last year. EBITDA of HK\$2,616 million and EBIT of HK\$1,435 million, increased 20% and 32% respectively over last year. The announced net profit attributable to shareholders was HK\$1,020 million and earnings per share was 21.17 HK cents, an increase of 35% compared to last year.

HTHKH has established leading market shares in its mobile businesses, particularly in the smartphone segment. As of 31 December 2011, active mobile customers were over 3.5 million in Hong Kong and Macau. Fixed line operations have also continued to grow in line with increasing data traffic across all networks in Hong Kong.

In 2012, HTHKH’s mobile operation in Hong Kong plans to launch Long Term Evolution service and has acquired additional spectrum to ensure that they are well positioned to continue to lead in providing customers’ rapidly increasing requirements for high speed data.

***Hutchison  
Asia  
Telecommunications***

As of 31 December 2011, Hutchison Asia Telecommunications (“HAT”) had a customer base of over 34.2 million and reported total revenue of HK\$2,332 million, LBITDA of HK\$142 million and LBIT of HK\$1,181 million.

During 2011, HAT completed the disposal of its Thailand operation and completed major supplier agreements to significantly enhance its networks in Indonesia and Sri Lanka. In 2012, HAT expects to offer services to a larger addressable customer base, particularly in Indonesia.

The Group has also recognised a one-time impairment charge of HK\$2,997 million in relation to HAT’s assets in Vietnam in view of an ongoing reassessment of the business opportunity in that country.

***3 Group***

**3 Group** reported total revenue of HK\$74,288 million, a 16% increase. The Group’s registered 3G customer base increased 7% during the year and currently totals over 31.6 million customers. All **3 Group** operations, except Hutchison Telecommunications (Australia) Limited (“HTAL”), achieved solid improvements in the underlying operating results for the year reporting a 21% growth in EBITDA to HK\$10,524 million. **3 Group** also achieved a second year of EBIT positive results and reported EBIT of HK\$1,481 million. This represents a 49% reduction compared to last year due to lower one-off gains being recognised by **3 UK** and **3 Italia** in 2011. The improvement in **3 Group**’s underlying operating results reflects the increased contribution from its rapidly growing market share of the smartphone and mobile broadband market segments in all countries where the **3 Group** operates. However, the improvements in the profits of the **3 Group** were affected by HTAL’s poor performance, as reported in the

first half of 2011, due to network performance issues in late 2010 and early 2011. HTAL has invested a significant amount on capital expenditure in 2011, amounting to approximately A\$400 million, driven by its accelerated network improvement plans. There will be a continuing focus in 2012 to improve HTAL's financial performance.

The Group also recognised a one-time write-off of HK\$1,315 million as a result of a review process by 3 UK on its fixed asset base, following the near finalisation of network integration processes.

In February 2012, 3 Austria entered into a binding agreement to acquire a 100% interest of Orange Austria and a subsequent onward sale of the Yesss! brand and certain other assets to Telekom Austria Group for a net consideration of approximately €900 million. However, the completion of the transaction remains subject to regulatory approvals. If the transaction completes, 3 Austria will have a combined customer base of 2.8 million customers and the combined operations will generate revenues, together with operational synergies and efficiencies, which should result in corresponding increases in 3 Austria's contribution to the 3 Group.

Despite Europe being affected by economic and financial uncertainties, 3 Group has maintained its growth momentum in the smartphone and mobile broadband market segments this year and will make an improved earnings contribution to the Group's results in 2012.

***Finance &  
Investments and  
Others***

Contribution from this division represents returns earned on the Group's holdings of cash and liquid investments as well as results of other small operating units. The decline in contribution in 2011 was mainly due to one-time treasury profits recognised in 2010 that included profits from the disposal of certain listed equity investments, partly offset by an increase in interest income as a result of rising market interest rates in 2011.

During 2011, the Group repaid debts as they matured and repaid early certain other long-term borrowings and notes totalling HK\$42,014 million. The Group's consolidated net debt position benefited from the net cash proceeds of approximately HK\$45,000 million arising from the IPO of HPH Trust on 18 March 2011. At 31 December 2011, the Group's consolidated cash and liquid investments totalled HK\$86,778 million and consolidated debt amounted to HK\$213,854 million, resulting in consolidated net debt of HK\$127,076 million and net debt to net total capital ratio of 23.8% at 31 December 2011.

In 2012, the Group has continued to take precautionary steps to extend the maturity of its debts with two issues of 5 and 10 year notes totalling HK\$19,500 million.



## **Outlook**

In 2011, uncertain economic conditions affected most markets and geographies to varying degrees. Our core businesses and operations, which are spread over 53 countries, demonstrated resilience with revenue and earning contribution growth in the year. A measure of uncertainty is expected to remain in 2012. Monetary tightening in the Mainland, which has successfully curbed inflation, will slow the rate of growth in the short term but growth will continue to increase in the long term. However, given the nature and the geographical spread of our businesses and their track record, I expect, barring unforeseen material adverse developments in major markets, the Group will continue to grow its recurrent earnings and maintain a strong financial position and liquidity in 2012. I am confident of the Group's prospects.

I would like to thank the Board of Directors and all our dedicated employees around the world for their continued loyalty, diligence, professionalism, and contributions to the Group.

**Li Ka-shing**

*Chairman*

Hong Kong, 29 March 2012

**Hutchison Whampoa Limited**  
**Consolidated Income Statement**  
for the year ended 31 December 2011

		As restated Note 1 2010
	2011	2010
	Note	HK\$ millions
		HK\$ millions
Company and subsidiary companies:		
Revenue	2	233,700
Cost of inventories sold		(93,059)
Staff costs		(30,488)
Telecommunications customer acquisition costs		(22,497)
Depreciation and amortisation	2	(14,080)
Other operating expenses	2	(53,055)
Change in fair value of investment properties		-
Profits on disposal of investments and others	3	43,147
Share of profits less losses after tax of:		
Associated companies		13,819
Jointly controlled entities		5,877
	2	<u>83,364</u>
Interest expenses and other finance costs	4	<u>(8,415)</u>
<b>Profit before tax</b>		<b>74,949</b>
Current tax	5	(3,237)
Deferred tax credit (charge)	5	2,150
<b>Profit after tax</b>		<b><u>73,862</u></b>
<b>Allocated as :</b>		
<b>Profit attributable to non-controlling interests and holders of perpetual capital securities</b>		<b><u>(17,843)</u></b>
<b>Profit attributable to ordinary shareholders of the Company</b>		<b><u>56,019</u></b>
<b>Earnings per share for profit attributable to ordinary shareholders of the Company</b>	6	<b><u>HK\$ 13.14</u></b>
		<b><u>HK\$ 4.73</u></b>

Details of interim dividend paid and proposed final dividend payable to the ordinary shareholders of the Company are set out in note 7.

**Hutchison Whampoa Limited**  
**Consolidated Statement of Comprehensive Income**  
for the year ended 31 December 2011

	2011	As restated Note 1 2010
	HK\$ millions	HK\$ millions
<b>Profit after tax</b>	<b>73,862</b>	<b>25,726</b>
<b>Other comprehensive income (losses)</b>		
Available-for-sale investments:		
Valuation gains recognised directly in reserves	298	1,001
Valuation gains previously in reserves recognised in income statement for the year	(280)	(839)
Net actuarial gains (losses) of defined benefit plans recognised directly in reserves	(1,607)	463
Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:		
Gains (losses) recognised directly in reserves	(240)	52
Losses (gains) previously in reserves recognised in initial cost of non-financial items for the year	7	(25)
Gains (losses) on translating overseas subsidiaries' net assets recognised directly in reserves	1,620	(6,152)
Losses (gains) previously in exchange and other reserves related to subsidiaries disposed / de-recognised during the year recognised in income statement for the year	937	(17)
Revaluation gains recognised directly in reserves upon transfer from other properties to investment properties	8	-
Share of other comprehensive income (losses) of associated companies for the year	(3,530)	2,520
Share of other comprehensive income of jointly controlled entities for the year	1,626	1,840
Other comprehensive income (losses) before tax	(1,161)	(1,157)
Tax relating to components of other comprehensive income (losses)	106	(140)
Other comprehensive income (losses) after tax	(1,055)	(1,297)
<b>Total comprehensive income</b>	<b>72,807</b>	<b>24,429</b>
<b>Allocated as :</b>		
<b>Attributable to non-controlling interests and holders of perpetual capital securities</b>	<b>(17,150)</b>	<b>(6,019)</b>
<b>Attributable to ordinary shareholders of the Company</b>	<b>55,657</b>	<b>18,410</b>

**Hutchison Whampoa Limited**  
**Consolidated Statement of Financial Position**  
at 31 December 2011

		As restated Note 1 31 December 2011	As restated Note 1 31 December 2010	As restated Note 1 1 January 2010
	Note	HK\$ millions	HK\$ millions	HK\$ millions
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets		155,502	167,851	176,192
Investment properties		42,610	43,240	42,323
Leasehold land		10,004	27,561	29,191
Telecommunications licences		75,503	68,333	70,750
Goodwill		26,338	27,332	28,858
Brand names and other rights		12,615	12,865	7,351
Associated companies		137,703	105,589	83,777
Interests in joint ventures		67,562	54,103	51,634
Deferred tax assets		16,992	14,097	14,650
Other non-current assets		10,184	9,131	5,286
Liquid funds and other listed investments		20,239	24,585	23,213
		<b>575,252</b>	<b>554,687</b>	<b>533,225</b>
<b>Current assets</b>				
Cash and cash equivalents	8	66,539	91,652	92,521
Trade and other receivables	9	60,345	57,229	48,146
Inventories		18,408	17,733	16,593
		<b>145,292</b>	<b>166,614</b>	<b>157,260</b>
<b>Current liabilities</b>				
Trade and other payables	10	78,093	80,889	73,029
Bank and other debts		28,835	23,122	17,589
Current tax liabilities		2,431	2,900	3,249
		<b>109,359</b>	<b>106,911</b>	<b>93,867</b>
<b>Net current assets</b>		<b>35,933</b>	<b>59,703</b>	<b>63,393</b>
<b>Total assets less current liabilities</b>		<b>611,185</b>	<b>614,390</b>	<b>596,618</b>
<b>Non-current liabilities</b>				
Bank and other debts		189,719	228,134	242,851
Interest bearing loans from non-controlling shareholders		6,502	13,493	13,424
Deferred tax liabilities		8,893	9,857	9,063
Pension obligations		2,992	1,702	2,436
Other non-current liabilities		4,296	3,945	4,520
		<b>212,402</b>	<b>257,131</b>	<b>272,294</b>
<b>Net assets</b>		<b>398,783</b>	<b>357,259</b>	<b>324,324</b>
<b>CAPITAL AND RESERVES</b>				
Share capital		1,066	1,066	1,066
Perpetual capital securities		15,600	15,600	-
Reserves		342,946	297,367	285,829
<b>Total ordinary shareholders' funds and perpetual capital securities</b>		<b>359,612</b>	<b>314,033</b>	<b>286,895</b>
Non-controlling interests		39,171	43,226	37,429
<b>Total equity</b>		<b>398,783</b>	<b>357,259</b>	<b>324,324</b>

**Notes:**

**1 Basis of preparation**

The accounts have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The accounts have been prepared under the historical cost convention except for certain properties and financial instruments which are stated at fair values.

In the current year, the Group has adopted all of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for annual periods beginning 1 January 2011. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's results of operations or financial position.

In addition, the Group has adopted amendments to Hong Kong Accounting Standard ("HKAS") 12 "Income Taxes - Deferred Tax: Recovery of Underlying Assets", with retrospective effect, ahead of its mandatory effective date of 1 January 2012. As a result of the adoption of amendments to HKAS 12, the Group now measures deferred tax liability in respect of its investment properties with reference to the tax liability that would arise if the properties were disposed of at their carrying amounts at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Previously, where these properties were held under leasehold interests, deferred tax was generally measured using the tax rate that would apply as a result of recovery of the asset's value through use.

## 1 Basis of preparation (continued)

The effects, where material, of the adoption of amendments to HKAS 12 "Income Taxes" are summarised below:

(a) Estimated effect on the consolidated income statement for the year ended 31 December 2011

	Amendments to HKAS 12 "Income Taxes" HK\$ millions
Company and subsidiary companies:	
Revenue	-
Cost of inventories sold	-
Staff costs	-
Telecommunications customer acquisition costs	-
Depreciation and amortisation	-
Other operating expenses	-
Change in fair value of investment properties	-
Profits on disposal of investments and others	-
Share of profits less losses after tax of:	
Associated companies	25
Jointly controlled entities	44
	<u>69</u>
Interest expenses and other finance costs	-
<b>Profit before tax</b>	<u>69</u>
Current tax	-
Deferred tax credit (charge)	-
	<u>69</u>
<b>Profit after tax</b>	<u>69</u>
<b>Allocated as : Profit attributable to non-controlling interests and holders of perpetual capital securities</b>	<u>-</u>
<b>Profit attributable to ordinary shareholders of the Company</b>	<u>69</u>
<b>Earnings per share for profit attributable to ordinary shareholders of the Company</b>	<u>HK\$ 0.016</u>

(b) Estimated effect on the consolidated statement of financial position as at 31 December 2011

	Amendments to HKAS 12 "Income Taxes" HK\$ millions
<b>ASSETS</b>	
<b>Non-current assets</b>	
Fixed assets	-
Investment properties	-
Leasehold land	-
Telecommunications licences	-
Goodwill	-
Brand names and other rights	-
Associated companies	86
Interests in joint ventures	115
Deferred tax assets	(8)
Other non-current assets	-
Liquid funds and other listed investments	-
	<u>193</u>
<b>Current assets</b>	
Cash and cash equivalents	-
Trade and other receivables	-
Inventories	-
	<u>-</u>
<b>Current liabilities</b>	
Trade and other payables	-
Bank and other debts	-
Current tax liabilities	-
	<u>-</u>
<b>Net current assets</b>	<u>-</u>
<b>Total assets less current liabilities</b>	<u>193</u>
<b>Non-current liabilities</b>	
Bank and other debts	-
Interest bearing loans from non-controlling shareholders	-
Deferred tax liabilities	(4,433)
Pension obligations	-
Other non-current liabilities	-
	<u>(4,433)</u>
<b>Net assets</b>	<u>4,626</u>
<b>CAPITAL AND RESERVES</b>	
Share capital	-
Perpetual capital securities	-
Reserves	4,620
	<u>4,620</u>
<b>Total ordinary shareholders' funds and perpetual capital securities</b>	<u>4,620</u>
Non-controlling interests	6
	<u>6</u>
<b>Total equity</b>	<u>4,626</u>

## 1 Basis of preparation (continued)

(c) Effect on the consolidated income statement for the year ended 31 December 2010

	As previously reported* HK\$ millions	Amendments to HKAS 12 "Income Taxes" HK\$ millions	As restated HK\$ millions
<b>Company and subsidiary companies:</b>			
Revenue	209,180	-	209,180
Cost of inventories sold	(78,321)	-	(78,321)
Staff costs	(28,768)	-	(28,768)
Telecommunications customer acquisition costs	(16,013)	-	(16,013)
Depreciation and amortisation	(14,932)	-	(14,932)
Other operating expenses	(50,456)	-	(50,456)
Change in fair value of investment properties	855	-	855
<b>Share of profits less losses after tax of:</b>			
Associated companies	6,469	-	6,469
Jointly controlled entities	9,382	5	9,387
	37,396	5	37,401
Interest and other finance costs	(8,476)	-	(8,476)
<b>Profit before tax</b>	28,920	5	28,925
Current tax charge	(2,493)	-	(2,493)
Deferred tax credit (charge)	(847)	141	(706)
<b>Profit after tax</b>	25,580	146	25,726
<b>Allocated as : Profit attributable to non-controlling interests and holders of perpetual capital securities</b>			
	(5,542)	(5)	(5,547)
<b>Profit attributable to ordinary shareholders of the Company</b>			
	20,038	141	20,179
<b>Earnings per share for profit attributable to shareholders of the Company</b>			
	HK\$ 4.70	HK\$ 0.03	HK\$ 4.73

(d) Effect on the consolidated statement of financial position as at 31 December 2010

	As previously reported* HK\$ millions	Amendments to HKAS 12 "Income Taxes" HK\$ millions	As restated HK\$ millions
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	167,851	-	167,851
Investment properties	43,240	-	43,240
Leasehold land	27,561	-	27,561
Telecommunications licences	68,333	-	68,333
Goodwill	27,332	-	27,332
Brand names and other rights	12,865	-	12,865
Associated companies	105,528	61	105,589
Interests in joint ventures	54,032	71	54,103
Deferred tax assets	14,105	(8)	14,097
Other non-current assets	9,131	-	9,131
Liquid funds and other listed investments	24,585	-	24,585
	554,563	124	554,687
<b>Current assets</b>			
Cash and cash equivalents	91,652	-	91,652
Trade and other receivables	57,229	-	57,229
Inventories	17,733	-	17,733
	166,614	-	166,614
<b>Current liabilities</b>			
Trade and other payables	80,889	-	80,889
Bank and other debts	23,122	-	23,122
Current tax liabilities	2,900	-	2,900
	106,911	-	106,911
<b>Net current assets</b>	59,703	-	59,703
<b>Total assets less current liabilities</b>	614,266	124	614,390
<b>Non-current liabilities</b>			
Bank and other debts	228,134	-	228,134
Interest bearing loans from non-controlling shareholders	13,493	-	13,493
Deferred tax liabilities	14,290	(4,433)	9,857
Pension obligations	1,702	-	1,702
Other non-current liabilities	3,945	-	3,945
	261,564	(4,433)	257,131
<b>Net assets</b>	352,702	4,557	357,259
<b>CAPITAL AND RESERVES</b>			
Share capital	1,066	-	1,066
Perpetual capital securities	15,600	-	15,600
Reserves	292,831	4,536	297,367
<b>Total ordinary shareholders' funds and perpetual capital securities</b>	309,497	4,536	314,033
Non-controlling interests	43,205	21	43,226
<b>Total equity</b>	352,702	4,557	357,259

\* In the audited 2010 annual accounts.

## 1 Basis of preparation (continued)

(e) Effect on the consolidated income statement for the year ended 31 December 2009

	As previously reported* HK\$ millions	Amendments to HKAS 12 "Income Taxes" HK\$ millions	As restated HK\$ millions
<b>Company and subsidiary companies:</b>			
Revenue	208,808	-	208,808
Cost of inventories sold	(74,275)	-	(74,275)
Staff costs	(28,309)	-	(28,309)
Telecommunications customer acquisition costs	(16,544)	-	(16,544)
Depreciation and amortisation	(16,258)	-	(16,258)
Other operating expenses	(60,769)	-	(60,769)
Change in fair value of investment properties	1,117	-	1,117
Profit on disposal of investments	12,472	-	12,472
<b>Share of profits less losses after tax of:</b>			
Associated companies	5,390	-	5,390
Jointly controlled entities	3,677	50	3,727
	35,309	50	35,359
Interest and other finance costs	(9,613)	-	(9,613)
<b>Profit before tax</b>	25,696	50	25,746
Current tax charge	(4,588)	-	(4,588)
Deferred tax credit	92	177	269
<b>Profit after tax</b>	21,200	227	21,427
<b>Allocated as : Profit attributable to non-controlling interests</b>	(7,569)	(4)	(7,573)
<b>Profit attributable to shareholders of the Company</b>	13,631	223	13,854
<b>Earnings per share for profit attributable to shareholders of the Company</b>	HK\$ 3.20	HK\$ 0.05	HK\$ 3.25

(f) Effect on the consolidated statement of financial position as at 31 December 2009 and as at the beginning of 1 January 2010

	As previously reported* HK\$ millions	Amendments to HKAS 12 "Income Taxes" HK\$ millions	As restated HK\$ millions
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	176,192	-	176,192
Investment properties	42,323	-	42,323
Leasehold land	29,191	-	29,191
Telecommunications licences	70,750	-	70,750
Goodwill	28,858	-	28,858
Brand names and other rights	7,351	-	7,351
Associated companies	83,716	61	83,777
Interests in joint ventures	51,568	66	51,634
Deferred tax assets	14,657	(7)	14,650
Other non-current assets	5,286	-	5,286
Liquid funds and other listed investments	23,213	-	23,213
	533,105	120	533,225
<b>Current assets</b>			
Cash and cash equivalents	92,521	-	92,521
Trade and other receivables	48,146	-	48,146
Inventories	16,593	-	16,593
	157,260	-	157,260
<b>Current liabilities</b>			
Trade and other payables	73,029	-	73,029
Bank and other debts	17,589	-	17,589
Current tax liabilities	3,249	-	3,249
	93,867	-	93,867
<b>Net current assets</b>	63,393	-	63,393
<b>Total assets less current liabilities</b>	596,498	120	596,618
<b>Non-current liabilities</b>			
Bank and other debts	242,851	-	242,851
Interest bearing loans from non-controlling shareholders	13,424	-	13,424
Deferred tax liabilities	13,355	(4,292)	9,063
Pension obligations	2,436	-	2,436
Other non-current liabilities	4,520	-	4,520
	276,586	(4,292)	272,294
<b>Net assets</b>	319,912	4,412	324,324
<b>CAPITAL AND RESERVES</b>			
Share capital	1,066	-	1,066
Reserves	281,433	4,396	285,829
<b>Total shareholders' funds</b>	282,499	4,396	286,895
Non-controlling interests	37,413	16	37,429
<b>Total equity</b>	319,912	4,412	324,324

\* In the audited 2010 annual accounts.



## 2 Operating segment information

Operating segments are reported in a manner consistent with internal reporting provided to the board of directors of the Company who is responsible for allocating resources and assessing performance of the operating segments. Save as disclosed in the notes below, the column headed as Company and Subsidiaries refers to the Company and subsidiary companies' respective items and the column headed as Associates and JCE refers to the Group's share of associated companies and jointly controlled entities' respective items.

Following the completion of the spin-off and separate listing of Hutchison Port Holdings Trust ("HPH Trust"), which holds the Group's interests in deep water container port businesses in the Pearl River Delta in Guangdong Province, including Hong Kong and Yantian ports, on the Main Board of the Singapore Stock Exchange during the year, as additional information, HPH Trust is presented as a separate operation within the Ports and related services segment. The Group accounts for the retained interests in this former subsidiary as an investment in an associated company. Prior year corresponding segment information that is presented for comparative purposes has been restated accordingly.

Finance & Investments and others represents returns earned on the Group's holdings of cash and liquid investments and includes Hutchison Whampoa (China), Hutchison E-Commerce operations, listed subsidiary Hutchison China MediTech Limited, listed subsidiary Hutchison Harbour Ring and listed associate TOM Group and others, and is presented to reconcile to the totals included in the Group's income statement and statement of financial position.

Revenue from external customers is after elimination of inter-segment revenue. The amount eliminated mainly attributable to Ports and related services is HK\$7 million (2010 – HK\$59 million), Property and hotels is HK\$324 million (2010 – HK\$310 million) and Hutchison Telecommunications Hong Kong Holdings is HK\$121 million (2010 – HK\$123 million).

(a) The following is an analysis of the Group's revenue by operating segments:

	Revenue							
	Company and Subsidiaries	Associates and JCE	2011 Total		Company and Subsidiaries	Associates and JCE	2010 Total	
	HK\$ millions	HK\$ millions	HK\$ millions	%	HK\$ millions	HK\$ millions	HK\$ millions	%
Ports and related services	25,742	6,776	32,518	8%	24,469	4,649	29,118	9%
Hutchison Ports Group other than HPH Trust operations	24,628	4,566	29,194	7%	21,674	4,476	26,150	8%
HPH Trust / HPH Trust operations <sup>#</sup>	1,114	2,210	3,324	1%	2,795	173	2,968	1%
Property and hotels	6,046	11,180	17,226	4%	5,682	10,477	16,159	5%
Retail	118,051	25,513	143,564	37%	102,014	21,163	123,177	38%
Cheung Kong Infrastructure	3,637	26,790	30,427	8%	2,997	15,268	18,265	6%
Husky Energy	-	63,027	63,027	16%	-	44,640	44,640	14%
Hutchison Telecommunications Hong Kong Holdings	13,407	-	13,407	4%	9,880	-	9,880	3%
Hutchison Asia Telecommunications	2,332	-	2,332	1%	2,486	-	2,486	1%
3 Group	56,877	17,411	74,288	19%	47,823	16,382	64,205	20%
Finance & Investments and others	6,545	4,383	10,928	3%	5,578	3,231	8,809	3%
	<b>232,637</b>	<b>155,080</b>	<b>387,717</b>	<b>100%</b>	200,929	115,810	316,739	99%
Reconciliation item	-	-	-	-	2,238	119	2,357	1%
	<b>232,637</b>	<b>155,080</b>	<b>387,717</b>	<b>100%</b>	203,167	115,929	319,096	<b>100%</b>
Non-controlling interests' share of HPH Trust / HPH Trust operations' revenue	1,063	726	1,789		6,013	240	6,253	
	<b>233,700</b>	<b>155,806</b>	<b>389,506</b>		209,180	116,169	325,349	

# represents the Group's attributable share of HPH Trust / HPH Trust operations' revenue based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011, i.e. revenue reduced by HK\$1,789 million and HK\$8,610 million for 2011 and 2010 respectively, being (1) HK\$2,357 million adjustment to reduce 2010 revenue to reflect the Group's share based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011 shown under "Reconciliation item"; and (2) HK\$1,789 million and HK\$6,253 million adjustments to exclude non-controlling interests' share of revenue of HPH Trust / HPH Trust operations for 2011 and 2010 respectively.

## 2 Operating segment information (continued)

(b) The Group uses two measures of segment results, EBITDA (see note 2(m)) and EBIT (see note 2(n)). The following is an analysis of the Group's results by operating segments by EBITDA:

	EBITDA (LBITDA) <sup>(m)</sup>							
	Company and Subsidiaries	Associates and JCE	2011 Total	%	Company and Subsidiaries	Associates and JCE	2010 Total	%
	HK\$ millions	HK\$ millions	HK\$ millions		HK\$ millions	HK\$ millions	HK\$ millions	
Ports and related services <sup>(o)</sup>	8,183	3,562	11,745	14%	7,964	2,321	10,285	17%
Hutchison Ports Group other than HPH Trust operations	7,557	2,317	9,874	12%	6,417	2,217	8,634	14%
HPH Trust / HPH Trust operations <sup>#</sup>	626	1,245	1,871	2%	1,547	104	1,651	3%
Property and hotels	4,122	5,781	9,903	12%	3,472	5,807	9,279	15%
Retail	9,626	2,098	11,724	15%	8,197	1,884	10,081	16%
Cheung Kong Infrastructure	1,405	15,837	17,242	22%	1,219	9,788	11,007	18%
Husky Energy	-	16,053	16,053	20%	-	8,987	8,987	15%
Hutchison Telecommunications Hong Kong Holdings	2,618	(2)	2,616	3%	2,191	(20)	2,171	4%
Hutchison Asia Telecommunications <sup>(p)</sup>	(142)	-	(142)	-	(1,893)	-	(1,893)	-3%
3 Group	8,030	2,494	10,524	13%	5,424	3,294	8,718	14%
Finance & Investments and others	(375)	1,062	687	1%	218	849	1,067	2%
	<b>33,467</b>	<b>46,885</b>	<b>80,352</b>	<b>100%</b>	<b>26,792</b>	<b>32,910</b>	<b>59,702</b>	<b>98%</b>
Reconciliation item	-	-	-	-	1,244	66	1,310	2%
EBITDA before property revaluation and profits on disposal of investments and others	<b>33,467</b>	<b>46,885</b>	<b>80,352</b>	<b>100%</b>	<b>28,036</b>	<b>32,976</b>	<b>61,012</b>	<b>100%</b>
Dilution gain arising from spin-off and separate listing of HPH Trust (see note 3(a))	55,644	-	55,644		-	-	-	
Non-controlling interests' share of HPH Trust / HPH Trust operations' EBITDA	677	510	1,187		3,829	147	3,976	
<b>EBITDA</b>	<b>89,788</b>	<b>47,395</b>	<b>137,183</b>		<b>31,865</b>	<b>33,123</b>	<b>64,988</b>	
Less: Depreciation and amortisation	(14,080)	(15,656)	(29,736)		(14,932)	(11,820)	(26,752)	
Add: One-time gains <sup>(q)</sup>	457	-	457		3,757	-	3,757	
Change in fair value of investment properties	-	780	780		855	3,343	4,198	
Provision for impairment on certain port assets (see note 3(b))	(8,185)	-	(8,185)		-	-	-	
Provision for impairment on fixed assets (see note 3(c))	(2,997)	-	(2,997)		-	-	-	
Write-off of fixed assets (see note 3(d))	(1,315)	-	(1,315)		-	-	-	
Group's share of the following income statement items of associated companies and jointly controlled entities:								
Interest expenses and other finance costs	-	(6,389)	(6,389)		-	(3,830)	(3,830)	
Current tax	-	(4,047)	(4,047)		-	(3,015)	(3,015)	
Deferred tax	-	(2,106)	(2,106)		-	(1,947)	(1,947)	
Non-controlling interests	-	(281)	(281)		-	2	2	
	<b>63,668</b>	<b>19,696</b>	<b>83,364</b>		<b>21,545</b>	<b>15,856</b>	<b>37,401</b>	

# represents the Group's attributable share of HPH Trust / HPH Trust operations' EBITDA based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011, i.e. EBITDA reduced by HK\$1,187 million and HK\$5,286 million for 2011 and 2010 respectively, being (1) HK\$1,310 million adjustment to reduce 2010 EBITDA to reflect the Group's share based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011 shown under "Reconciliation item"; and (2) HK\$1,187 million and HK\$3,976 million adjustments to exclude non-controlling interests' share of EBITDA of HPH Trust / HPH Trust operations for 2011 and 2010 respectively.

## 2 Operating segment information (continued)

(c) The following is an analysis of the Group's results by operating segments by EBIT:

Company and Subsidiaries	Associates and JCE	EBIT (LBIT) <sup>(a)</sup>					
		2011		Company and Subsidiaries		Associates and JCE	
		Total	%	HK\$ millions	HK\$ millions	HK\$ millions	%
Ports and related services <sup>(o)</sup>							
Hutchison Ports Group other than HPH Trust operations							
HPH Trust / HPH Trust operations <sup>#</sup>							
Property and hotels							
Retail							
Cheung Kong Infrastructure							
Husky Energy							
Hutchison Telecommunications Hong Kong Holdings							
Hutchison Asia Telecommunications <sup>(p)</sup>							
<b>3 Group<sup>(q)</sup></b>							
EBITDA before the following:							
Telecommunications CACs							
EBITDA before the following non-cash items:							
Depreciation							
Amortisation of licence fees and other rights							
One-time gains <sup>(q)</sup>							
EBIT (LBIT) - 3 Group <sup>(q)</sup>							
Finance & Investments and others							
Reconciliation item							
EBIT before property revaluation and profits on disposal of investments and others							
Change in fair value of investment properties							
<b>EBIT</b>							
Group's share of profits on disposal of investments and others (see note 3)							
Non-controlling interests' share of profits on disposal of investments and others (see note 3)							
Non-controlling interests' share of HPH Trust / HPH Trust operations' EBIT							
Group's share of the following income statement items of associated companies and jointly controlled entities:							
Interest expenses and other finance costs							
Current tax							
Deferred tax							
Non-controlling interests							

# represents the Group's attributable share of HPH Trust / HPH Trust operations' EBIT based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011, i.e. EBIT reduced by HK\$890 million and HK\$4,403 million for 2011 and 2010 respectively, being

(1) HK\$1,058 million adjustment to reduce 2010 EBIT to reflect the Group's share based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011 shown under "Reconciliation item"; and (2) HK\$890 million and HK\$3,345 million adjustments to exclude non-controlling interests' share of EBIT of HPH Trust / HPH Trust operations for 2011 and 2010 respectively.

## 2 Operating segment information (continued)

(d) The following is an analysis of the Group's depreciation and amortisation by operating segments:

	Depreciation and amortisation					
	Company and Subsidiaries	Associates and JCE	2011 Total	Company and Subsidiaries	Associates and JCE	2010 Total
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions
Ports and related services	2,423	1,096	3,519	2,468	610	3,078
Hutchison Ports Group other than HPH Trust operations	2,300	637	2,937	2,166	591	2,757
HPH Trust / HPH Trust operations <sup>#</sup>	123	459	582	302	19	321
Property and hotels	252	134	386	283	149	432
Retail	1,904	490	2,394	1,809	406	2,215
Cheung Kong Infrastructure	132	3,632	3,764	142	2,411	2,553
Husky Energy	-	7,439	7,439	-	5,914	5,914
Hutchison Telecommunications Hong Kong Holdings	1,179	2	1,181	1,080	1	1,081
Hutchison Asia Telecommunications	1,039	-	1,039	795	-	795
<b>3 Group</b>	<b>6,921</b>	<b>2,579</b>	<b>9,500</b>	<b>7,379</b>	<b>2,165</b>	<b>9,544</b>
Finance & Investments and others	104	113	217	130	127	257
	<b>13,954</b>	<b>15,485</b>	<b>29,439</b>	<b>14,086</b>	<b>11,783</b>	<b>25,869</b>
Reconciliation item	-	-	-	241	11	252
	<b>13,954</b>	<b>15,485</b>	<b>29,439</b>	<b>14,327</b>	<b>11,794</b>	<b>26,121</b>
Non-controlling interests' share of HPH Trust / HPH Trust operations' depreciation and amortisation	126	171	297	605	26	631
	<b>14,080</b>	<b>15,656</b>	<b>29,736</b>	<b>14,932</b>	<b>11,820</b>	<b>26,752</b>

# represents the Group's attributable share of HPH Trust / HPH Trust operations' depreciation and amortisation based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011, i.e. depreciation and amortisation reduced by HK\$297 million and HK\$883 million for 2011 and 2010 respectively, being (1) HK\$252 million adjustment to reduce 2010 depreciation and amortisation to reflect the Group's share based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011 shown under "Reconciliation item"; and (2) HK\$297 million and HK\$631 million adjustments to exclude non-controlling interests' share of depreciation and amortisation of HPH Trust / HPH Trust operations for 2011 and 2010 respectively.

(e) The following is an analysis of the Group's capital expenditure by operating segments:

	Capital expenditure							
	Fixed assets, investment properties and leasehold land	Telecom- munications licences	Brand names and other rights	2011 Total	Fixed assets, investment properties and leasehold land	Telecom- munications licences	Brand names and other rights	2010 Total
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions
Ports and related services	5,928	-	-	5,928	6,726	-	-	6,726
Hutchison Ports Group other than HPH Trust operations	5,788	-	-	5,788	5,735	-	-	5,735
HPH Trust / HPH Trust operations	140	-	-	140	991	-	-	991
Property and hotels	274	-	-	274	127	-	-	127
Retail	2,622	-	-	2,622	1,791	-	-	1,791
Cheung Kong Infrastructure	353	-	-	353	70	-	-	70
Husky Energy	-	-	-	-	-	-	-	-
Hutchison Telecommunications Hong Kong Holdings	1,143	1,532	70	2,745	1,118	-	18	1,136
Hutchison Asia Telecommunications	6,543	1,351	-	7,894	2,411	-	70	2,481
<b>3 Group<sup>(r)</sup></b>	<b>8,158</b>	<b>2,810</b>	<b>12</b>	<b>10,980</b>	<b>9,375</b>	<b>146</b>	<b>373</b>	<b>9,894</b>
Finance & Investments and others	128	-	-	128	119	-	-	119
	<b>25,149</b>	<b>5,693</b>	<b>82</b>	<b>30,924</b>	<b>21,737</b>	<b>146</b>	<b>461</b>	<b>22,344</b>

## 2 Operating segment information (continued)

(f) The following is an analysis of the Group's total assets by operating segments:

	Total assets							
	Company and Subsidiaries		Investments in associated companies and interests in joint ventures	2011 Total assets	Company and Subsidiaries		Investments in associated companies and interests in joint ventures	2010 Total assets
	Segment assets <sup>(s)</sup>	Deferred tax assets	Segment assets <sup>(s)</sup>		Deferred tax assets			
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	
Ports and related services	61,143	146	27,776	89,065	96,734	172	13,892	110,798
Hutchison Ports Group other than HPH Trust operations	61,143	146	12,638	73,927	59,948	163	13,516	73,627
HPH Trust / HPH Trust operations	-	-	15,138	15,138	36,786	9	376	37,171
Property and hotels	51,640	134	39,597	91,371	50,732	109	24,869	75,710
Retail	48,184	444	5,559	54,187	45,254	680	5,239	51,173
Cheung Kong Infrastructure	14,744	15	68,115	82,874	14,303	9	56,146	70,458
Husky Energy	-	-	48,552	48,552	-	-	43,493	43,493
Hutchison Telecommunications Hong Kong Holdings	18,635	369	326	19,330	16,783	369	265	17,417
Hutchison Asia Telecommunications	18,356	-	-	18,356	18,011	-	-	18,011
3 Group <sup>(t)</sup>	199,166	15,861	12,929	227,956	186,436	12,748	12,929	212,113
Finance & Investments and others	86,419	23	2,411	88,853	119,259	10	2,859	122,128
	498,287	16,992	205,265	720,544	547,512	14,097	159,692	721,301

(g) The following is an analysis of the Group's total liabilities by operating segments:

	Total liabilities							
	Current & non-current borrowings <sup>(v)</sup> and other non-current liabilities <sup>(u)</sup>		Current & deferred tax liabilities	2011 Total liabilities	Current & non-current borrowings <sup>(v)</sup> and other non-current liabilities <sup>(u)</sup>		Current & deferred tax liabilities	2010 Total liabilities
	Segment liabilities <sup>(u)</sup>	Segment liabilities <sup>(u)</sup>	Segment liabilities <sup>(u)</sup>		Segment liabilities <sup>(u)</sup>	Segment liabilities <sup>(u)</sup>		
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions
Ports and related services	14,993	23,906	4,600	43,499	17,542	41,865	6,449	65,856
Hutchison Ports Group other than HPH Trust operations	14,993	23,906	4,600	43,499	8,701	26,132	4,647	39,480
HPH Trust / HPH Trust operations	-	-	-	-	8,841	15,733	1,802	26,376
Property and hotels	2,142	511	2,356	5,009	1,872	693	2,125	4,690
Retail	23,302	6,421	1,062	30,785	21,381	6,328	973	28,682
Cheung Kong Infrastructure	2,345	14,669	933	17,947	1,945	8,489	1,053	11,487
Husky Energy	-	-	-	-	-	-	-	-
Hutchison Telecommunications Hong Kong Holdings	4,541	4,885	241	9,667	3,990	4,175	198	8,363
Hutchison Asia Telecommunications	4,250	2,407	1	6,658	4,339	2,622	584	7,545
3 Group	24,673	117,552	393	142,618	26,759	118,437	349	145,545
Finance & Investments and others	4,839	59,001	1,738	65,578	4,763	86,085	1,026	91,874
	81,085	229,352	11,324	321,761	82,591	268,694	12,757	364,042

## 2 Operating segment information (continued)

### Additional information in respect of geographical locations

With effect from the current year, the Group has expanded its list of geographical locations for presentation of additional information. Prior year corresponding information that is presented for comparative purposes has been restated accordingly.

(h) Additional disclosures of the Group's revenue by geographical location are shown below:

	Revenue							
	Company and Subsidiaries		Associates and JCE		2011 Total		2010 Total	
	HK\$ millions	HK\$ millions	HK\$ millions	%	HK\$ millions	HK\$ millions	HK\$ millions	%
Hong Kong	49,296	11,490	60,786	16%	42,862	8,352	51,214	16%
Mainland China	21,972	12,937	34,909	9%	18,539	12,044	30,583	9%
Europe	125,232	37,168	162,400	42%	109,726	23,500	133,226	42%
Canada	120	63,004	63,124	16%	127	44,270	44,397	14%
Asia, Australia and others	29,472	26,098	55,570	14%	26,335	24,532	50,867	16%
Finance & Investments and others	6,545	4,383	10,928	3%	5,578	3,231	8,809	3%
	<b>232,637</b>	<b>155,080</b>	<b>387,717</b> <sup>(1)</sup>	<b>100%</b>	<b>203,167</b>	<b>115,929</b>	<b>319,096</b> <sup>(1)</sup>	<b>100%</b>

(1) see note 2(a) for reconciliation to total revenues included in the Group's income statement.

(i) Additional disclosures of the Group's EBITDA by geographical location are shown below:

	EBITDA (LBITDA) <sup>(m)</sup>							
	Company and Subsidiaries		Associates and JCE		2011 Total		2010 Total	
	HK\$ millions	HK\$ millions	HK\$ millions	%	HK\$ millions	HK\$ millions	HK\$ millions	%
Hong Kong	7,491	5,340	12,831	16%	7,389	4,333	11,722	19%
Mainland China	3,327	7,814	11,141	14%	4,220	5,464	9,684	16%
Europe	15,189	10,083	25,272	31%	11,519	4,545	16,064	26%
Canada	115	15,969	16,084	20%	141	8,982	9,123	15%
Asia, Australia and others	7,720	6,617	14,337	18%	4,549	8,803	13,352	22%
Finance & Investments and others	(375)	1,062	687	1%	218	849	1,067	2%
EBITDA before property revaluation and profits on disposal of investments and others	<b>33,467</b>	<b>46,885</b>	<b>80,352</b> <sup>(2)</sup>	<b>100%</b>	<b>28,036</b>	<b>32,976</b>	<b>61,012</b> <sup>(2)</sup>	<b>100%</b>

(2) see note 2(b) for reconciliation to total EBITDA included in the Group's income statement.

(j) Additional disclosures of the Group's EBIT by geographical location are shown below:

	EBIT (LBIT) <sup>(n)</sup>							
	Company and Subsidiaries		Associates and JCE		2011 Total		2010 Total	
	HK\$ millions	HK\$ millions	HK\$ millions	%	HK\$ millions	HK\$ millions	HK\$ millions	%
Hong Kong	5,709	4,052	9,761	19%	5,680	3,358	9,038	24%
Mainland China	2,835	6,910	9,745	19%	3,605	4,887	8,492	22%
Europe	6,774	8,235	15,009	29%	6,048	3,609	9,657	25%
Canada	114	8,534	8,648	17%	143	3,094	3,237	8%
Asia, Australia and others	5,017	2,720	7,737	15%	1,902	5,512	7,414	19%
Finance & Investments and others	(479)	949	470	1%	88	722	810	2%
EBIT before property revaluation and profits on disposal of investments and others	<b>19,970</b>	<b>31,400</b>	<b>51,370</b>	<b>100%</b>	<b>17,466</b>	<b>21,182</b>	<b>38,648</b>	<b>100%</b>
Change in fair value of investment properties	-	780	780		855	3,343	4,198	
<b>EBIT</b>	<b>19,970</b>	<b>32,180</b>	<b>52,150</b> <sup>(3)</sup>		<b>18,321</b>	<b>24,525</b>	<b>42,846</b> <sup>(3)</sup>	

(3) see note 2(c) for reconciliation to total EBIT included in the Group's income statement.

## 2 Operating segment information (continued)

(k) Additional disclosures of the Group's capital expenditure by geographical location are shown below:

	Capital expenditure							
	Fixed assets, investment properties and leasehold land				Fixed assets, investment properties and leasehold land			
	Telecom-communications licences	Brand names and other rights	2011 Total	Telecom-communications licences	Brand names and other rights	2011 Total	2010 Total	
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	
Hong Kong	1,841	1,532	62	3,435	1,870	-	14	1,884
Mainland China	1,844	-	-	1,844	1,516	-	-	1,516
Europe	11,043	2,810	12	13,865	12,848	146	373	13,367
Canada	-	-	-	-	-	-	-	-
Asia, Australia and others	10,293	1,351	8	11,652	5,384	-	74	5,458
Finance & Investments and others	128	-	-	128	119	-	-	119
	<b>25,149</b>	<b>5,693</b>	<b>82</b>	<b>30,924</b>	<b>21,737</b>	<b>146</b>	<b>461</b>	<b>22,344</b>

(l) Additional disclosures of the Group's total assets by geographical location are shown below:

	Total assets							
	Company and Subsidiaries				Company and Subsidiaries			
	Deferred tax assets	Investments in associated companies and interests in joint ventures	2011 Total	Deferred tax assets	Investments in associated companies and interests in joint ventures	2011 Total	2010 Total	
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	
Hong Kong	76,164	525	28,814	105,503	88,723	734	22,385	111,842
Mainland China	9,354	261	56,318	65,933	27,696	147	30,667	58,510
Europe	266,192	15,921	38,843	320,956	252,903	12,914	25,349	291,166
Canada	264	-	48,162	48,426	143	-	44,619	44,762
Asia, Australia and others	59,894	262	30,717	90,873	58,788	292	33,813	92,893
Finance & Investments and others	86,419	23	2,411	88,853	119,259	10	2,859	122,128
	<b>498,287</b>	<b>16,992</b>	<b>205,265</b>	<b>720,544</b>	<b>547,512</b>	<b>14,097</b>	<b>159,692</b>	<b>721,301</b>

(m) EBITDA (LBITDA) represents the EBITDA (LBITDA) of the Company and subsidiary companies as well as the Group's share of the EBITDA (LBITDA) of associated companies and jointly controlled entities except for HPH Trust / HPH Trust operations which are included based on the Group's effective share of EBITDA for these operations. EBITDA (LBITDA) is defined as earnings (losses) before interest expenses and other finance costs, tax, depreciation and amortisation, and includes profits on disposal of investments and other earnings of a cash nature but excludes change in fair value of investment properties. Information concerning EBITDA (LBITDA) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA (LBITDA) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA (LBITDA) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBITDA (LBITDA) is not a measure of cash liquidity or financial performance under generally accepted accounting principles in Hong Kong and the EBITDA (LBITDA) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA (LBITDA) should not necessarily be construed as an alternative to cash flows or results as determined in accordance with generally accepted accounting principles in Hong Kong.

(n) EBIT (LBIT) represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and jointly controlled entities except for HPH Trust / HPH Trust operations which are included based on the Group's effective share of EBIT for these operations. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBIT (LBIT) is not a measure of financial performance under generally accepted accounting principles in Hong Kong and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with generally accepted accounting principles in Hong Kong.

(o) Included in EBITDA and EBIT of Ports and related services in 2010 are valuation gains totalling HK\$550 million in relation to an available-for-sale investment. These gains were previously recorded directly into reserves but were subsequently recognised in 2010's income statement as a result of the investment becoming an associated company in 2010.

(p) Included in EBITDA and EBIT of Hutchison Asia Telecommunications in 2011 are contributions from certain suppliers amounting to HK\$1,270 million (2010 - HK\$669 million).

## 2 Operating segment information (continued)

- (q) Included in EBIT (LBIT) of 3 Group in 2011 is a one-time net gain of HK\$457 million, comprising a benefit of HK\$1,843 million relating to two blocks of 5MHz of 1,800MHz spectrum assigned to 3 Italy in 2010, as a result of favourable changes in the licence terms in 2011, partially offset by a write-off of HK\$917 million due to an adverse court ruling on the incoming mobile termination rates by the Italian State Council and certain other one-off provisions amounting to HK\$469 million. Included in comparable EBIT (LBIT) of 3 Group in 2010 are a one-time net gain of HK\$2,268 million arising from a revised 3 UK network sharing arrangement whereby 3 UK received the right of use of approximately 3,000 cell sites, free of acquisition and future operating costs, for a gain of HK\$6,010 million, partially offset by one-time provisions of HK\$3,742 million mainly related to the restructuring of 3 UK's network infrastructure, and a one-time gain of HK\$1,489 million with reference to the assignment of two blocks of 5MHz of 1,800MHz spectrum to 3 Italy.
- (r) Included in capital expenditures of 3 Group in 2011 is the effect of foreign exchange translation of overseas subsidiaries' fixed assets balances at 31 December 2011 which has an effect of increasing total expenditures by HK\$68 million (2010 – decreasing total expenditures by HK\$604 million).
- (s) Segment assets comprise fixed assets, investment properties, leasehold land, telecommunications licences, goodwill, brand names and other rights, other non-current assets, liquid funds and other listed investments, cash and cash equivalents and other current assets. As additional information, non-current assets (excluding financial instruments, deferred tax assets, post-employment benefits assets and assets from insurance contracts) for Hong Kong, Mainland China, Europe, Canada, and Asia, Australia and others amounted to HK\$94,873 million (2010 – HK\$102,339 million), HK\$64,104 million (2010 – HK\$57,015 million), HK\$248,449 million (2010 – HK\$230,393 million), HK\$48,204 million (2010 – HK\$44,619 million) and HK\$72,207 million (2010 – HK\$72,508 million) respectively.
- (t) Included in total assets of 3 Group is an unrealised foreign currency exchange gain arising in 2011 of HK\$626 million (2010 – loss of HK\$8,086 million) from the translation of overseas subsidiaries accounts to Hong Kong dollars with an offsetting amount recorded in exchange reserve.
- (u) Segment liabilities comprise trade and other payables and pension obligations.
- (v) Current and non-current borrowings comprise bank and other debts and interest bearing loans from non-controlling shareholders.

## 3 Profits on disposal of investments and others

	Attributable to			Total HK\$ millions
	Ordinary shareholders of the Company HK\$ millions	Holders of perpetual capital securities HK\$ millions	Non-controlling interests HK\$ millions	
<b>Year ended 31 December 2011</b>				
Dilution gain arising from spin-off and separate listing of HPH Trust <sup>(a)</sup>	44,290	-	11,354	55,644
Provision for impairment on certain port assets <sup>(b)</sup>	(7,110)	-	(1,075)	(8,185)
Provision for impairment on fixed assets <sup>(c)</sup>	(2,997)	-	-	(2,997)
Write-off of fixed assets <sup>(d)</sup>	(1,315)	-	-	(1,315)
	<b>32,868</b>	-	<b>10,279</b>	<b>43,147</b>
<b>Year ended 31 December 2010</b>	-	-	-	-

- (a) The Group completed an initial public offering of units in HPH Trust and the units were listed on the Main Board of the Singapore Stock Exchange on 18 March 2011. Immediately following the completion of the spin-off and separate listing of HPH Trust, the Group retains a 27.6% interest in HPH Trust. Included in the HK\$55,644 million dilution gain arising from spin-off and separate listing of HPH Trust is the gain of HK\$17,625 million on remeasurement of the 27.6% retained interest from its carrying value to fair value.
- (b) During the current year, following the IPO of the HPH Trust, a strategic review of its ports portfolio, and assessment of the market opportunities, the Group recognised impairment charges on certain port assets. One-time impairment charges are recognised on these port assets in view of the performance, uncertain business climate and the continuing challenging trading environment faced by these operations. In aggregate the impairment charges amounted to HK\$8,185 million. The main classes of assets affected by these impairment charges are fixed assets and interests in joint ventures and associated companies.
- (c) During the current year, the Group recognised a one-time impairment charge of HK\$2,997 million in relation to fixed assets of Hutchison Asia Telecommunications in Vietnam in view of an ongoing reassessment of the business opportunity in that country. The recoverable amount of these fixed assets is determined based on the higher of fair value less cost to sell and value in use calculations, which are estimated by reference to market transactions and projected cash flows. The charge reflects the effects of market pressure and increasing competition on projected cash flows.
- (d) The Group recognised a one-time write-off of HK\$1,315 million as a result of a review process by 3 UK on its fixed assets base, following near finalisation of network integration processes.



#### 4 Interest expenses and other finance costs

	2011 HK\$ millions	2010 HK\$ millions
Bank loans and overdrafts	1,845	1,474
Other loans repayable within 5 years	66	59
Other loans not wholly repayable within 5 years	20	18
Notes and bonds repayable within 5 years	3,481	2,968
Notes and bonds not wholly repayable within 5 years	2,120	3,028
	<b>7,532</b>	<b>7,547</b>
Interest bearing loans from non-controlling shareholders repayable within 5 years	254	245
Interest bearing loans from non-controlling shareholders not wholly repayable within 5 years	9	57
	<b>7,795</b>	<b>7,849</b>
Amortisation of loan facilities fees and premiums or discounts relating to borrowings	281	243
Notional non-cash interest accretion <sup>(a)</sup>	396	470
Other finance costs	74	72
	<b>8,546</b>	<b>8,634</b>
Less: interest capitalised <sup>(b)</sup>	(131)	(158)
	<b>8,415</b>	<b>8,476</b>

(a) Notional non-cash interest accretion represents notional adjustments to accrete the carrying amount of certain obligations recognised in the statement of financial position such as asset retirement obligation to the present value of the estimated future cash flows expected to be required for their settlement in the future.

(b) Borrowing costs have been capitalised at various applicable rates ranging from 0.2% to 4.3% per annum (2010 - 0.3% to 6.0% per annum).

#### 5 Tax

	Current tax HK\$ millions	Deferred tax HK\$ millions	2011 Total HK\$ millions	Current tax HK\$ millions	Deferred tax HK\$ millions	2010 Total HK\$ millions
Hong Kong	332	654	986	581	837	1,418
Outside Hong Kong	2,905	(2,804)	101	1,912	(131)	1,781
	<b>3,237</b>	<b>(2,150)</b>	<b>1,087</b>	<b>2,493</b>	<b>706</b>	<b>3,199</b>

Hong Kong profits tax has been provided for at the rate of 16.5% (2010 - 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

#### 6 Earnings per share for profit attributable to ordinary shareholders of the Company

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company HK\$56,019 million (2010 - HK\$20,179 million) and on 4,263,370,780 shares in issue during 2011 (2010 - 4,263,370,780 shares).

The Company has no share option scheme. Certain of the Company's subsidiary and associated companies have employee share options outstanding as at 31 December 2011. The employee share options of these subsidiary and associated companies outstanding as at 31 December 2011 did not have a dilutive effect on earnings per share.

## 7 Dividends

	2011 HK\$ millions	2010 HK\$ millions
<b>Dividends</b>		
Interim dividend	2,345	2,174
Final dividend	6,523	6,011
	<b>8,868</b>	<b>8,185</b>
<b>Dividends per share</b>		
Interim dividend	HK\$ 0.55	HK\$ 0.51
Final dividend	HK\$ 1.53	HK\$ 1.41
	<b>HK\$ 2.08</b>	<b>HK\$ 1.92</b>

## 8 Cash and cash equivalents

	2011 HK\$ millions	2010 HK\$ millions
Cash at bank and in hand	22,545	29,690
Short term bank deposits	43,994	61,962
	<b>66,539</b>	<b>91,652</b>

The carrying amount of cash and cash equivalents approximates their fair value.

## 9 Trade and other receivables

	2011 HK\$ millions	2010 HK\$ millions
Trade receivables	29,792	30,484
Less: provision for estimated impairment losses for bad debts	(6,048)	(5,563)
Trade receivables - net	23,744	24,921
Other receivables and prepayments	36,334	32,112
Cash flow hedges		
Forward foreign exchange contracts	267	196
	<b>60,345</b>	<b>57,229</b>

Trade and other receivables are stated at the expected recoverable amount, net of any estimated impairment losses for bad debts where it is deemed that a receivable may not be fully recoverable.

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group has established credit policies for customers in each of its core businesses. The average credit period granted for trade receivables ranges from 30 to 45 days. The carrying amount of these assets approximates their fair value. As stated above trade receivables which are past due at the end of the reporting period are stated at the expected recoverable amount, net of provision for estimated impairment losses for bad debts. Given the profile of our customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

The Group's five largest customers contributed less than 6% of the Group's turnover for the years ended 31 December 2011 and 2010.

At 31 December, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	2011 HK\$ millions	2010 HK\$ millions
Less than 31 days	11,251	12,629
Within 31 to 60 days	1,487	2,191
Within 61 to 90 days	872	841
Over 90 days	16,182	14,823
	<b>29,792</b>	<b>30,484</b>

## 10 Trade and other payables

	<b>2011</b>	2010
	<b>HK\$ millions</b>	HK\$ millions
Trade payables	<b>24,694</b>	22,460
Other payables and accruals	<b>51,663</b>	54,429
Provisions	<b>1,256</b>	1,613
Interest free loans from non-controlling shareholders	<b>468</b>	2,327
Cash flow hedges		
Forward foreign exchange contracts	<b>12</b>	60
	<b>78,093</b>	80,889

The Group's five largest suppliers accounted for less than 24% of the Group's cost of purchases for the years ended 31 December 2011 and 2010.

At 31 December, the ageing analysis of the trade payables is as follows:

	<b>2011</b>	2010
	<b>HK\$ millions</b>	HK\$ millions
Less than 31 days	<b>14,124</b>	13,842
Within 31 to 60 days	<b>2,429</b>	2,145
Within 61 to 90 days	<b>1,248</b>	863
Over 90 days	<b>6,893</b>	5,610
	<b>24,694</b>	22,460

## **GROUP CAPITAL RESOURCES AND LIQUIDITY**

### **Treasury Management**

The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. The Group uses interest rate and foreign currency swaps and forward currency contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's assets and liabilities. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, with significant underlying leverage or derivative exposure.

### **Cash Management and Funding**

The Group operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-US dollar currencies, the Group generally obtains long-term financing at the Group level to on-lend or contribute as equity to its subsidiaries and associates to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, which change depending upon financial market conditions and projected interest rates. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

### **Interest Rate Exposure**

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 31 December 2011, approximately 34% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 66% were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK\$70,988 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK\$3,996 million principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 66% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 34% were at fixed rates at 31 December 2011.

### Foreign Currency Exposure

For overseas subsidiaries and associates and other investments, which consist of non-HK dollar or non-US dollar assets, the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For overseas businesses that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cashflow and the relevant debt markets with a view to refinancing these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to the underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in overseas subsidiaries and associates. During the year, the currencies of certain countries where the Group has overseas operations, including the Euro, British pound, the Canadian and Australian dollars as well as Renminbi in the Mainland, fluctuated against the Hong Kong dollar. This gave rise to an unrealised gain of approximately HK\$2,478 million (2010 – loss of HK\$2,611 million) on translation of these operations' net assets to the Group's Hong Kong dollar reporting currency, including the Group's share of the translation gains and losses of associated companies and jointly controlled entities. This unrealised gain is reflected as a movement in the Consolidated Statement of Changes in Equity under the heading of exchange reserve.

At 31 December 2011, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK\$28,593 million to Hong Kong dollar principal amount of borrowings to match the currency exposures of the underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, are denominated as follows: 33% in Euro, 29% in US dollars, 22% in HK dollars, 9% in British Pounds and 7% in other currencies.

### Credit Exposure

The Group's holdings of cash, managed funds and other liquid investments, and interest rate and foreign currency swaps and forward currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements, credit ratings and setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, which is continuously monitored by the local operational management.

### Credit Profile

The Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings of A3 on the Moody's Investor Service scale, A- on the Standard & Poor's Rating Services scale and A- on the Fitch Ratings scale. Actual credit ratings may depart from these levels from time to time due to economic circumstances. At 31 December 2011, our long-term credit ratings were A3 from Moody's, A- from Standard & Poor's and A- from Fitch.

## Market Price Risk

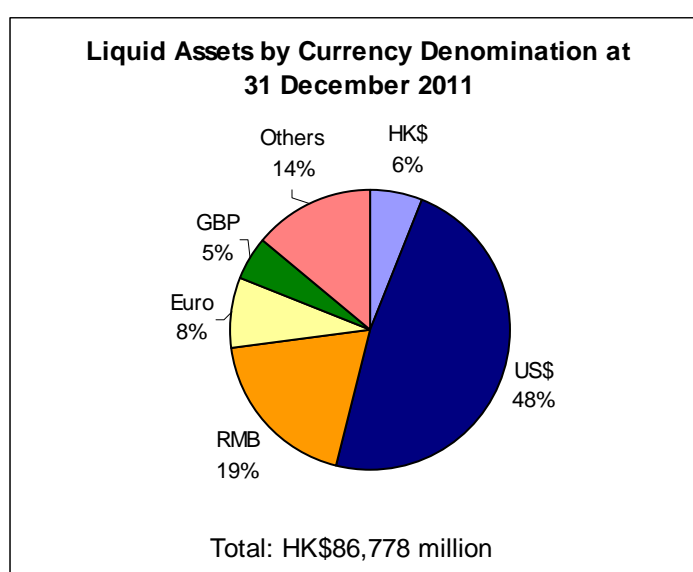
The Group's main market price risk exposures relate to listed / traded debt and equity securities described in "Liquid Assets" below and the interest rate swaps as described in "Interest Rate Exposure" above. The Group's holding of listed / traded debt and equity securities represented approximately 23% (2010 – approximately 20%) of the cash, liquid funds and other listed investments ("liquid assets"). The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

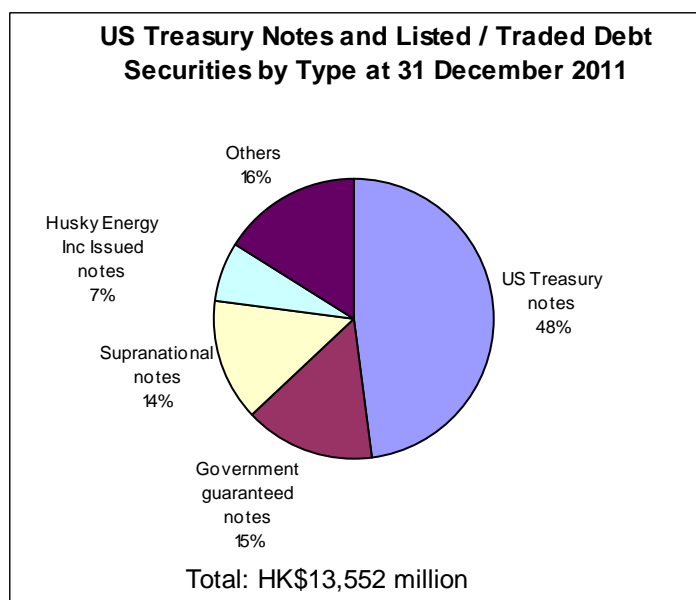
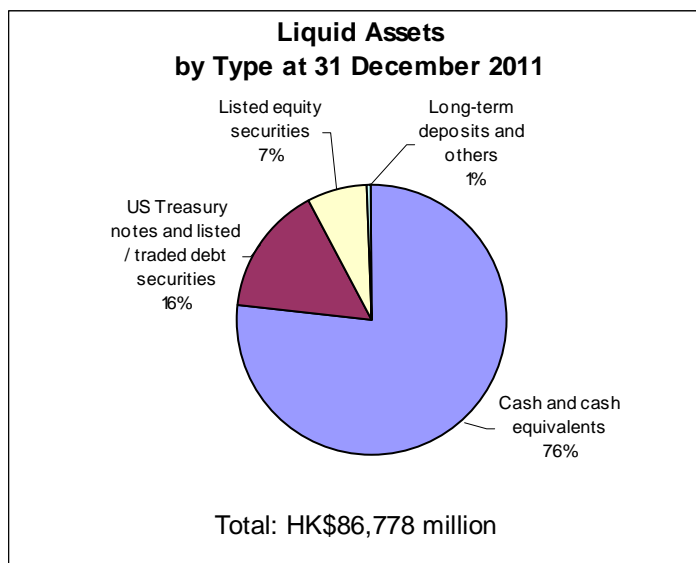
## Liquid Assets

The Group continues to be in a healthy financial position. Liquid assets amounted to HK\$86,778 million at 31 December 2011, a 25% reduction from the balance of HK\$116,237 million at 31 December 2010, mainly reflecting the utilisation of cash for the repayment and early repayment of certain borrowings, dividend payments to ordinary and non-controlling shareholders as well as to perpetual capital securities holders, acquisition of fixed assets and investments, net of the positive funds from operations from the Group's businesses, proceeds from the IPO of HPH Trust and disposal of fixed assets. Liquid assets were denominated as to 6% in HK dollars, 48% in US dollars, 19% in Renminbi, 8% in Euro, 5% in British Pounds and 14% in other currencies.

Cash and cash equivalents represented 76% (2010 – 79%) of the liquid assets, US Treasury notes and listed / traded debt securities 16% (2010 – 15%), listed equity securities 7% (2010 – 5%) and long-term deposits and others 1% (2010 – 1%).

The US Treasury notes and listed / traded debt securities, including those held under managed funds, consisted of US Treasury notes of 48%, government guaranteed notes of 15%, supranational notes of 14%, notes issued by the Group's associated company, Husky Energy Inc of 7% and others of 16%. Of these US Treasury notes and listed / traded debt securities, 74% are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 2.1 years on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.





### Cash Flow

Consolidated EBITDA before and after all telecommunications CACs amounted to HK\$164,837 million and HK\$137,183 million respectively for 2011, increases of 93% and 111% respectively compared to last year. Total CACs of all of the Group's telecommunications operations amounted to HK\$27,654 million for the year, a 36% increase compared to 2010, reflecting the increase in the number of customers acquired and retained, particularly the higher proportion of smartphone customers, as well as a 25% increase in the unit cost to acquire a customer. Consolidated funds from operations ("FFO") after all telecommunications CACs, but before cash profits from disposals, capital expenditures and changes in working capital amounted to HK\$29,112 million, an 11% decrease compared to last year, mainly due to the deconsolidation of FFO of the newly listed associate, HPH Trust.

The Group's capital expenditures increased 38% to total HK\$30,924 million during 2011 (2010 – HK\$22,344 million), primarily due to higher capital expenditures for the acquisition of telecommunications licences in Hong Kong, Europe and Asia, which totalled HK\$5,693 million (2010 – HK\$146 million) as well as network expansions and enhancements. Capital expenditures on fixed assets for the ports and related services division amounted to HK\$5,928 million (2010 – HK\$6,726 million); for the property and hotels division HK\$274 million (2010 – HK\$127 million); for the retail division HK\$2,622 million (2010 – HK\$1,791 million); for Cheung Kong Infrastructure (“CKI”) HK\$353 million (2010 – HK\$70 million); for HTHKH HK\$1,143 million (2010 – HK\$1,118 million); for HAT HK\$6,543 million (2010 – HK\$2,411 million); for 3 Group HK\$8,158 million (2010 – HK\$9,375 million); and for the finance and investments and others HK\$128 million (2010 – HK\$119 million). Capital expenditures for telecommunications licences, brand names and other rights for HTHKH HK\$1,602 million (2010 – HK\$18 million); for HAT HK\$1,351 million (2010 – HK\$70 million) and for 3 Group HK\$2,822 million (2010 – HK\$519 million).

Purchases of and advances to (including deposits from) associated companies and jointly controlled entities totalled HK\$25,768 million (2010 – HK\$16,056 million), mainly reflecting the acquisition of Northumbrian Water in UK by CKI, advances to property joint ventures as well as the investment by the Group to take up approximately C\$100 million of a private share placement by Husky Energy.

The capital expenditures and investments of the Group are primarily funded by cash generated from operations, cash on hand and to the extent appropriate, by external borrowings.

#### **Debt Maturity and Currency Profile**

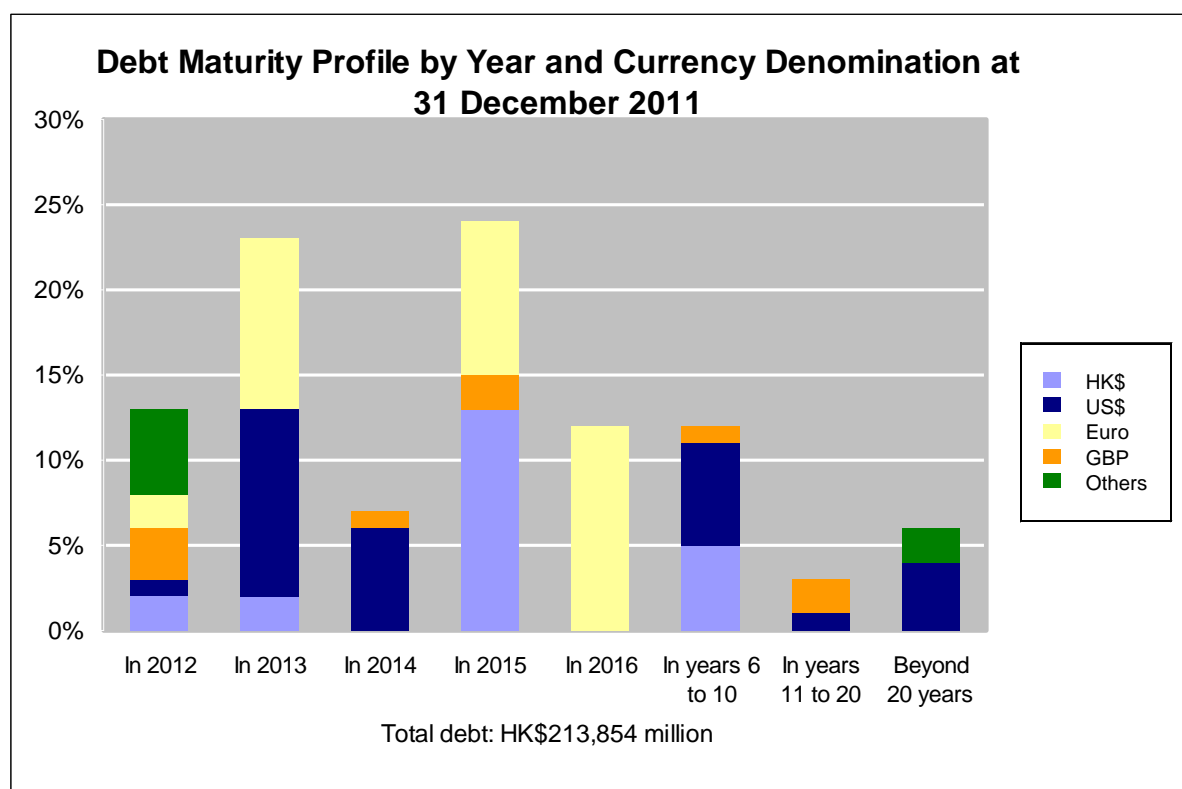
The Group's total principal amount of bank and other debts at 31 December 2011 decreased 14% to total HK\$213,854 million (2010 – HK\$247,362 million), of which 65% (2010 – 60%) are notes and bonds and 35% (2010 – 40%) are bank and other loans. The net decrease in principal amount of bank and other debts was primarily due to the repayment of debts as they matured and also early repayment of certain debts totalling HK\$42,014 million, the deconsolidation of HK\$8,911 million of aggregate loans upon the IPO of HPH Trust and the favourable impact of HK\$1,192 million upon the translation of foreign currency-denominated loans to Hong Kong dollars, partly offset by HK\$18,957 million in new borrowings. The Group's weighted average cost of debt at 31 December 2011 increased by 0.3%-points to 3.3% (2010 – 3.0%). Interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, totalled HK\$6,502 million at 31 December 2011 (2010 – HK\$13,493 million).

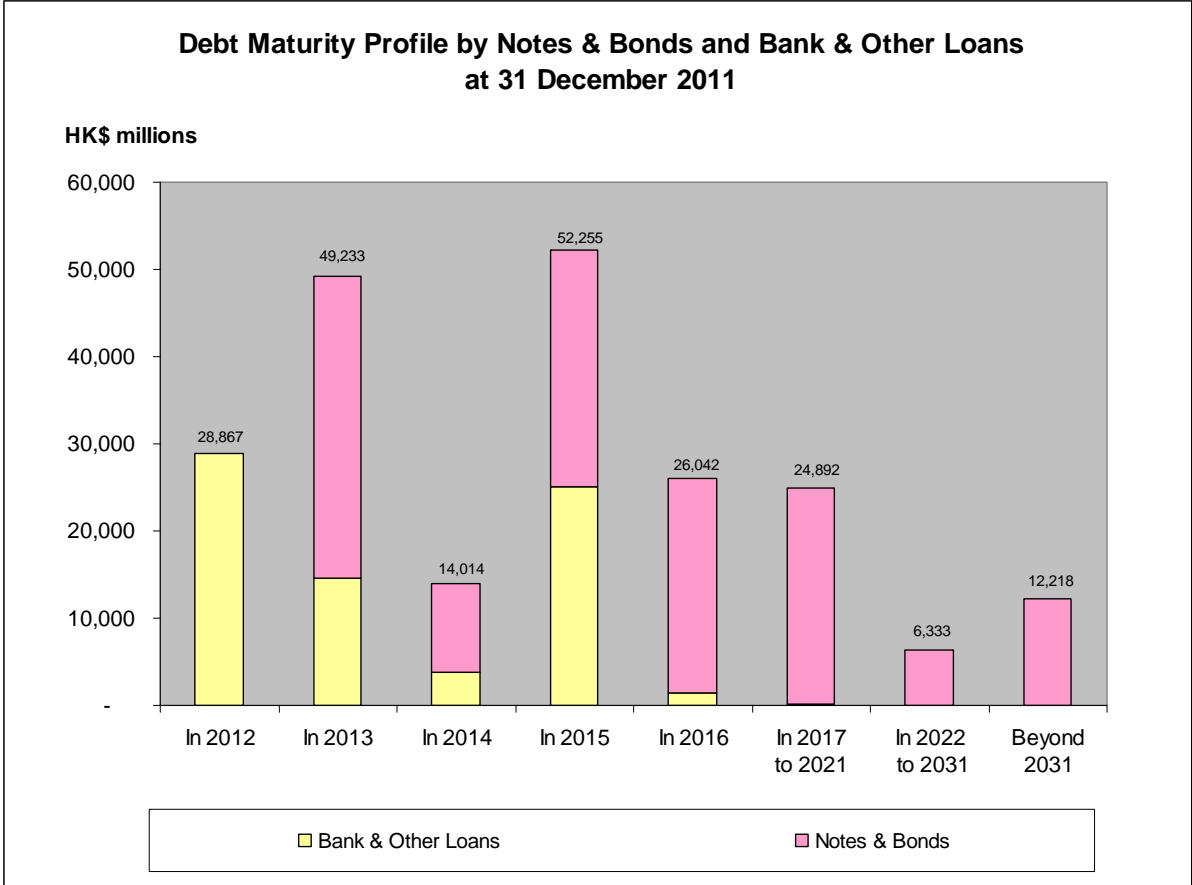
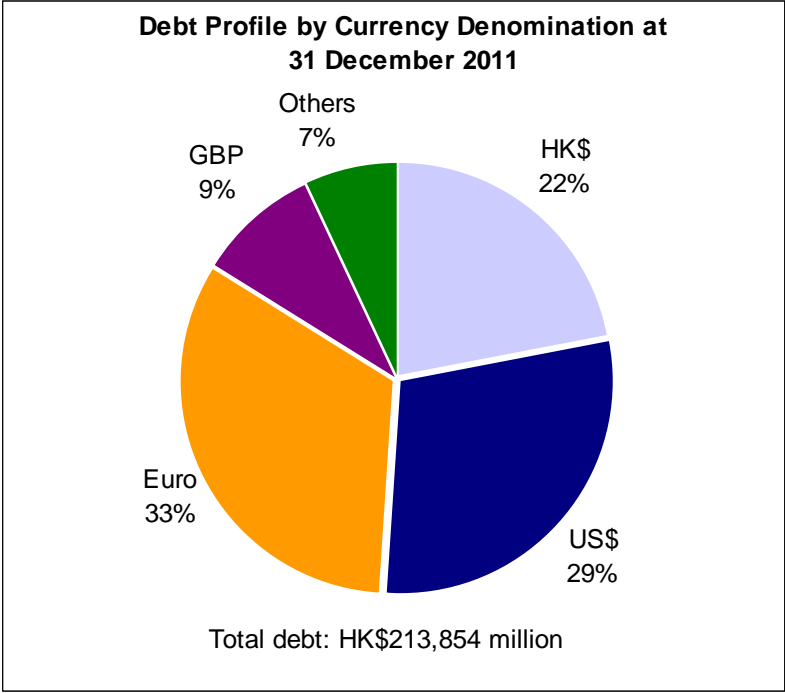


The maturity profile of the Group's total principal amount of bank and other debts at 31 December 2011 is set out below:

	HK\$	US\$	Euro	GBP	Others	Total
In 2012	2%	1%	2%	3%	5%	13%
In 2013	2%	11%	10%	-	-	23%
In 2014	-	6%	-	1%	-	7%
In 2015	13%	-	9%	2%	-	24%
In 2016	-	-	12%	-	-	12%
In years 6 to 10	5%	6%	-	1%	-	12%
In years 11 to 20	-	1%	-	2%	-	3%
Beyond 20 years	-	4%	-	-	2%	6%
Total	22%	29%	33%	9%	7%	100%

The non-HK dollar and non-US dollar denominated loans are either directly related to the Group's businesses in the countries of the currencies concerned, or the loans are balanced by assets in the same currencies. None of the Group's consolidated borrowings, as a matter of policy, have credit rating triggers that would accelerate the maturity dates of the debt outstanding.





## Changes in Financing

The significant financing activities in 2011 were as follows:

- In January, prepaid a floating rate loan facility of US\$170 million (approximately HK\$1,326 million) maturing in 2012;
- In January, prepaid a floating rate loan facility of US\$35 million (approximately HK\$273 million) maturing in 2012;
- In February, repaid on maturity fixed rate notes of US\$1,100 million (approximately HK\$8,581 million);
- In April, prepaid a floating rate loan facility of HK\$8,000 million maturing in 2013;
- In April, prepaid aggregate floating rate loan facilities of HK\$8,000 million maturing in 2014;
- In June, repaid on maturity a floating loan rate facility of US\$130 million (approximately HK\$1,014 million);
- In July, listed subsidiary CKI repaid on maturity a floating rate term loan facility of GBP100 million (approximately HK\$1,248 million);
- In August, obtained a five-year, floating rate syndicated loan facility of Euro280 million (approximately HK\$2,842 million) to refinance existing indebtedness;
- In September, repaid on maturity a floating rate syndicated loan facility of HK\$5,000 million;
- In September, obtained a three-year floating rate loan facility of US\$130 million (approximately HK\$1,014 million) to refinance existing indebtedness;
- In October, obtained a three-year, floating rate loan facility of GBP125 million (approximately HK\$1,524 million) and prepaid a floating rate loan facility of the same amount maturing later in 2011;
- In October, listed subsidiary CKI obtained one-year floating rate equity bridge facilities of GBP600 million (approximately HK\$7,441 million) for acquisition of Northumbrian Water; and
- In November, obtained a three-year floating rate term loan facility of HK\$2,800 million to fund capital expenditures.

Subsequent to the year end:

- In January and February this year, issued five-year, fixed rate US\$1,000 million (approximately HK\$7,800 million) and ten-year, fixed rate US\$1,500 million (approximately HK\$11,700 million) guaranteed notes to refinance existing indebtedness and for general corporate purposes; and
- In January this year, prepaid a floating rate loan facility of Euro1,000 million (approximately HK\$10,070 million) maturing in 2013.

### Capital, Net Debt and Interest Coverage Ratios

The Group's total ordinary shareholders' funds and perpetual capital securities increased 15% to HK\$359,612 million at 31 December 2011, compared to HK\$314,033 million, at 31 December 2010 (as restated), reflecting the profits for 2011 and the net exchange gains on translation of the Group's overseas operations' net assets to the Group's Hong Kong dollar reporting currency including the Group's share of the translation gains and losses of associated companies and jointly controlled entities, partly offset by dividends paid, the reduction in reserves in relation to the purchase of non-controlling interests, net actuarial losses of defined benefits plans and other items recognised directly in reserves. At 31 December 2011, the consolidated net debt of the Group, excluding interest bearing loans from non-controlling shareholders which are viewed as quasi-equity, unamortised loan facilities fees and premiums or discounts on issue and fair value changes of interest rate swap contracts, was HK\$127,076 million (2010 – HK\$131,125 million), a reduction of 3% compared to the net debt at the beginning of the year. The Group's net debt to net total capital ratio at 31 December 2011 reduced to 23.8% (2010, as restated – 26.0%).

The following table shows the net debt to net total capital ratio calculated on the basis of including interest bearing loans from non-controlling shareholders and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at 31 December 2011. The net debt to net total capital ratio can be significantly affected by foreign currency translation effects on total ordinary shareholders' funds and perpetual capital securities and on debt balances. The ratios as at 31 December 2011 before and after the effect of foreign currency transaction and other non-cash movements for the year are shown below:

<b>Net debt / Net total capital ratios at 31 December 2011:</b>	<b>Before the effect of foreign currency translation and other non-cash movements</b>	<b>After the effect of foreign currency translation and other non-cash movements</b>
A1: excluding interest bearing loans from non-controlling shareholders from debt	24.0%	23.8%
A2: as in A1 above and investments in listed subsidiaries and associated companies marked to market value	21.8%	21.7 %
B1: including interest bearing loans from non-controlling shareholders as debt	25.3%	25.1%
B2: as in B1 above and investments in listed subsidiaries and associated companies marked to market value	22.9 %	22.8%

The Group's consolidated gross interest expense and other finance costs of subsidiaries, before capitalisation, decreased 1% in 2011 to total HK\$8,546 million, compared to HK\$8,634 million in 2010, mainly due to lower average borrowings, partially offset by higher effective market interest rates during the year.

Consolidated EBITDA and FFO before all telecommunications CACs for the year covered consolidated net interest expense and other finance costs 29.2 times and 10.2 times respectively (31 December 2010, as restated – 13.6 times and 8.9 times).

### **Secured Financing**

At 31 December 2011, assets of the Group totalling HK\$524 million (2010 – HK\$963 million) were pledged as security for bank and other debts.

### **Borrowing Facilities Available**

Committed borrowing facilities available to Group companies but not drawn at 31 December 2011 amounted to the equivalent of HK\$7,242 million (2010 – HK\$11,162 million).

### **Contingent Liabilities**

At 31 December 2011, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and jointly controlled entities totalling HK\$10,932 million (2010 – HK\$5,805 million), of which HK\$8,587 million (2010 – HK\$5,122 million) has been drawn down as at 31 December 2011, and also provided performance and other guarantees of HK\$4,838 million (2010 – HK\$3,159 million).

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the year ended 31 December 2011, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's ordinary shares. In addition, the Company has not redeemed any of its ordinary shares during the year.

### **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company strives to attain and maintain the high standards of corporate governance best suited to the needs and interests of the Group. Throughout the year ended 31 December 2011, the Company has been fully compliant with all code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

### **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the Group's code of conduct regarding Directors' securities transactions. All Directors of the Company have confirmed that throughout the year ended 31 December 2011, they have complied with the provisions of such Model Code.

### **REVIEW OF ACCOUNTS**

The consolidated accounts of the Company and its subsidiary companies for the year ended 31 December 2011 have been reviewed by the Audit Committee of the Company and audited by the Company's auditor, PricewaterhouseCoopers. The unqualified auditor's report will be included in the Annual Report to shareholders.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 22 May 2012 to Friday, 25 May 2012, both days inclusive for the purpose of determining shareholders' entitlement to attend and vote at the 2012 Annual General Meeting.

In order to be eligible to attend and vote at the 2012 Annual General Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on Monday, 21 May 2012.

#### **RECORD DATE FOR PROPOSED FINAL DIVIDEND**

The record date for the purpose of determining shareholder's entitlement to the proposed final dividend will be Thursday, 31 May 2012.

In order to qualify for the proposed final dividend payable on Monday, 11 June 2012, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on Thursday, 31 May 2012.

#### **ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held on Friday, 25 May 2012. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

#### **AMENDMENT TO THE ARTICLES OF ASSOCIATION**

The Board proposes to make an amendment to the Articles of Association of the Company to provide participation in board meetings by electronic means. A circular containing details of the proposed change will be sent to the shareholders together with the 2011 Annual Report.

#### **CORPORATE STRATEGY**

The Company strategy is to enhance long-term total return for our shareholders, to maintain prudent liquidity and a net debt to net total capital ratio of less than 25%. Please refer to the Chairman's Statement and Operations Review for discussions and analyses of the Group's performance and the basis on which the Group generates or preserves value over the longer term and the strategy for delivering the Group's objective.

#### **PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS**

The performance and the results of operations of the Group contained within this Annual Report are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within this Annual Report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this Annual Report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

As at the date of this announcement, the Directors of the Company are:

**Executive Directors:**

Mr LI Ka-shing (*Chairman*)  
Mr LI Tzar Kuoi, Victor (*Deputy Chairman*)  
Mr FOK Kin Ning, Canning  
Mrs CHOW WOO Mo Fong, Susan  
Mr Frank John SIXT  
Mr LAI Kai Ming, Dominic  
Mr KAM Hing Lam

**Non-executive Director:**

Mr George Colin MAGNUS

**Independent Non-executive Directors:**

The Hon Sir Michael David KADOORIE  
Mr Holger KLUGE  
Mrs Margaret LEUNG KO May Yee  
Mr William Elkin MOCATTA  
*(Alternate to The Hon Sir Michael David Kadoorie)*  
Mr William SHURNIAK  
Mr WONG Chung Hin

**HUTCHISON WHAMPOA LIMITED**  
**FINANCIAL PERFORMANCE SUMMARY**

	2011		2010		
	HK\$ millions	%	Restated <sup>1</sup> HK\$ millions	%	Change
<b>Total revenue <sup>2,3</sup></b>					
Ports and related services	32,518	8%	29,118	9%	12%
<i>Hutchison Ports Group other than HPH Trust operations</i>	29,194	7%	26,150	8%	12%
<i>HPH Trust / HPH Trust operations</i>	3,324	1%	2,968	1%	12%
Property and hotels	17,226	4%	16,159	5%	7%
Retail	143,564	37%	123,177	38%	17%
Cheung Kong Infrastructure	30,427	8%	18,265	6%	67%
Husky Energy	63,027	16%	44,640	14%	41%
Hutchison Telecommunications Hong Kong Holdings	13,407	4%	9,880	3%	36%
Hutchison Asia Telecommunications	2,332	1%	2,486	1%	-6%
3 Group	74,288	19%	64,205	20%	16%
Finance & Investments and others	10,928	3%	8,809	3%	24%
<b>Total comparable revenue</b>	<b>387,717</b>	<b>100%</b>	<b>316,739</b>	<b>99%</b>	<b>22%</b>
Reconciliation item <sup>3</sup>	-	-	2,357	1%	N/A
<b>Total Reported Revenue</b>	<b>387,717</b>	<b>100%</b>	<b>319,096</b>	<b>100%</b>	<b>22%</b>
<b>EBITDA <sup>2,3</sup></b>					
Ports and related services	11,745	14%	10,285	17%	14%
<i>Hutchison Ports Group other than HPH Trust operations</i>	9,874	12%	8,634	14%	14%
<i>HPH Trust / HPH Trust operations</i>	1,871	2%	1,651	3%	13%
Property and hotels	9,903	12%	9,279	15%	7%
Retail	11,724	15%	10,081	16%	16%
Cheung Kong Infrastructure	17,242	22%	11,007	18%	57%
Husky Energy	16,053	20%	8,987	15%	79%
Hutchison Telecommunications Hong Kong Holdings	2,616	3%	2,171	4%	20%
Hutchison Asia Telecommunications	(142)	-	(1,893)	-3%	92%
3 Group	10,524	13%	8,718	14%	21%
Finance & Investments and others	687	1%	1,067	2%	-36%
<b>Comparable EBITDA before profits on disposal of investments &amp; others and property revaluation</b>	<b>80,352</b>	<b>100%</b>	<b>59,702</b>	<b>98%</b>	<b>35%</b>
Reconciliation item <sup>3</sup>	-	-	1,310	2%	N/A
<b>Reported EBITDA before profits on disposal of investments &amp; others and property revaluation</b>	<b>80,352</b>	<b>100%</b>	<b>61,012</b>	<b>100%</b>	<b>32%</b>
<b>EBIT <sup>2,3</sup></b>					
Ports and related services	8,226	16%	7,207	18%	14%
<i>Hutchison Ports Group other than HPH Trust operations</i>	6,937	13%	5,877	15%	18%
<i>HPH Trust / HPH Trust operations</i>	1,289	3%	1,330	3%	-3%
Property and hotels	9,517	18%	8,847	23%	8%
Retail	9,330	18%	7,866	20%	19%
Cheung Kong Infrastructure	13,478	26%	8,454	22%	59%
Husky Energy	8,614	17%	3,073	8%	180%
Hutchison Telecommunications Hong Kong Holdings	1,435	3%	1,090	3%	32%
Hutchison Asia Telecommunications	(1,181)	-2%	(2,688)	-7%	56%
3 Group	1,481	3%	2,931	8%	-49%
Finance & Investments and others	470	1%	810	2%	-42%
<b>Comparable EBIT before profits on disposal of investments &amp; others and property revaluation</b>	<b>51,370</b>	<b>100%</b>	<b>37,590</b>	<b>97%</b>	<b>37%</b>
Reconciliation item <sup>3</sup>	-	-	1,058	3%	N/A
<b>Reported EBIT before profits on disposal of investments &amp; others and property revaluation</b>	<b>51,370</b>	<b>100%</b>	<b>38,648</b>	<b>100%</b>	<b>33%</b>
Change in fair value of investment properties	780		4,198		-81%
<b>Total EBIT</b>	<b>52,150</b>		<b>42,846</b>		<b>22%</b>
Interest expenses and finance costs <sup>4</sup>	(14,804)		(12,306)		-20%
Profit before tax	37,346		30,540		22%
Tax <sup>4</sup>					
Current tax	(7,284)		(5,508)		-32%
Deferred tax	44		(2,653)		102%
Profit after tax	30,106		22,379		35%
Non-controlling interests and perpetual capital securities holders interests	(6,955)		(2,200)		-216%
Profit attributable to ordinary shareholders, before profits on disposal of investments and others	23,151		20,179		15%
Profits on disposal of investments and others attributable to ordinary shareholders	32,868		-		
<b>Profit attributable to ordinary shareholders</b>	<b>56,019</b>		<b>20,179</b>		<b>178%</b>

Note 1: 2010 results have been restated to reflect the Group's early adoption of amendments to HKAS 12. See note 1 to the accounts.

Note 2: Total revenue, earnings before interest expenses and other finance costs, tax, depreciation and amortisation ("EBITDA") and earnings before interest expenses and other finance costs and tax ("EBIT") include the Group's share of associated companies' and jointly controlled entities' revenue, EBITDA and EBIT respectively and adjusted to reflect the Group's effective interest in HPH Trust / HPH Trust operations in the two years.

Note 3: To enable a better comparison of underlying performance, comparable revenue, EBITDA and EBIT for 2010 only reflect the Group's share of results based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011 so that the year-on-year changes can be calculated on a like-for-like basis. The reconciliation item in 2010 represents the Group's actual effective share in excess of the Group's share of the respective item based on the effective shareholdings in HPH Trust operations during 2011 as calculated above.

Note 4: It represents information includes the Company, its subsidiary companies and its proportionate share of associated companies and jointly controlled entities' respective items.





Hutchison Whampoa Limited

stock code: 13

# 2011 Annual Results

Supplementary Information

# Disclaimer

Potential investors and shareholders of the Company (the “Potential Investors and Shareholders”) are reminded that information contained in this Presentation comprises extracts of operational data and financial information of the Group. The information included is solely for the use in this Presentation and certain information has not been independently verified. No representations or warranties, expressed 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 this Presentation. Potential Investors and Shareholders should refer to the 2011 Annual Report for the audited results of the Company which are published in accordance with the listing rules of the Stock Exchange of Hong Kong Limited.

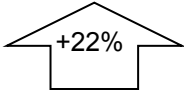

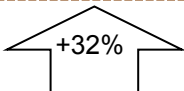

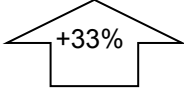

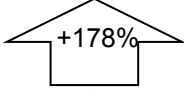

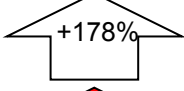
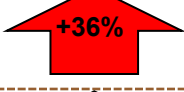
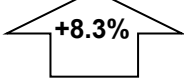
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Potential Investors and Shareholders should exercise caution when investing in or dealing in the securities of the Company.

# Highlights 2011

- Highest ever recurring earnings at HK\$22.6 billion, up 36% from last year
- Progress on multiple fronts despite global economic uncertainties
- Strong recurring revenue, earnings and cash flow growth demonstrates resilience of the Group's six core businesses
- Strengthened balance sheet and liquidity, well-positioned to deliver cash flow and earnings per share growth

# Performance in 2011

Reported Revenue	HK\$387.7bn	
Comparable Revenue Growth*		
Reported EBITDA	HK\$80.4bn	
Comparable EBITDA Growth*		
Reported EBIT	HK\$51.4bn	
Comparable EBIT Growth*		
Reported Earnings	HK\$56.0bn	
Recurring Earnings	HK\$22.6bn	
Reported EPS	HK\$13.14	
Recurring EPS	HK\$5.29	
Dividend per share	HK\$2.08	

\* The growth percentage shown under the comparable results represent adjustments made to 2010 Revenue, EBITDA and EBIT to reflect, on a like-with-like basis, the Group's effective shareholdings in HPH Trust/ HPH Trust operations during 2011.

# Business & Geographical Diversification

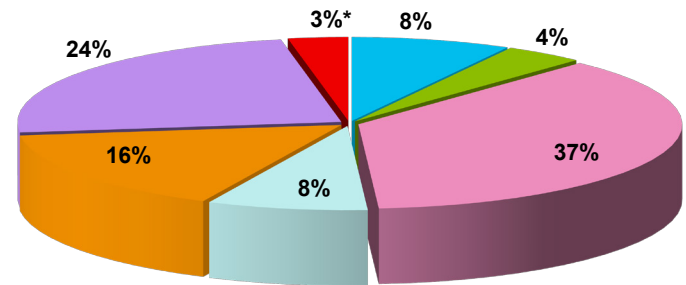
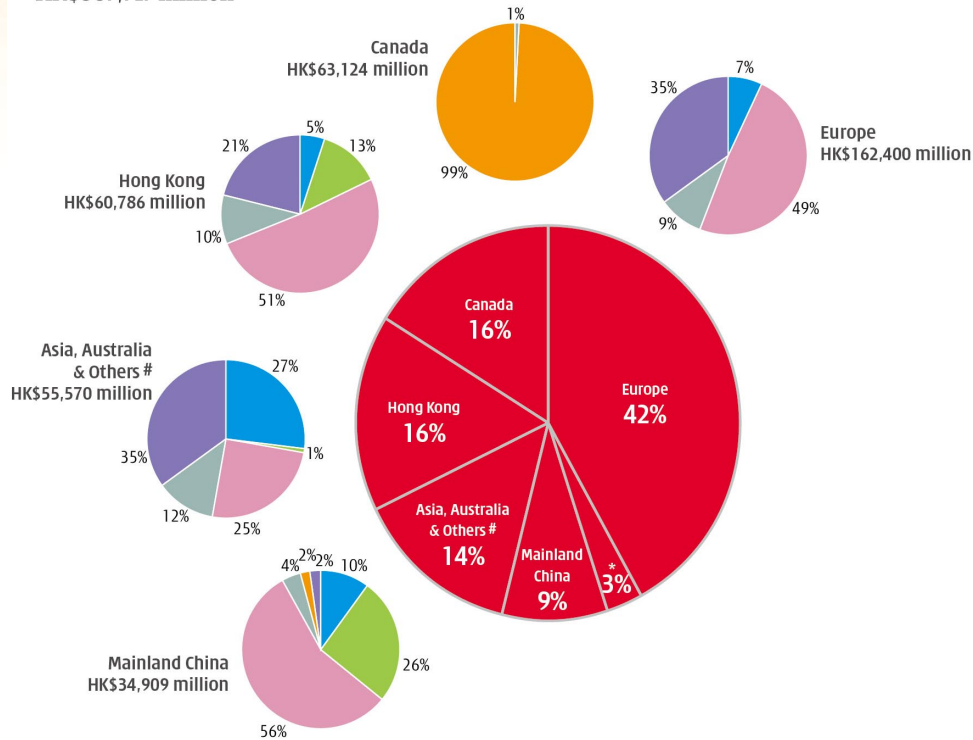
## Revenue Contribution

### 2011 Revenue Contribution by Geographical Location

### 2011 Revenue Contribution by Division

#### 2011 Total Revenue

HK\$387,717 million



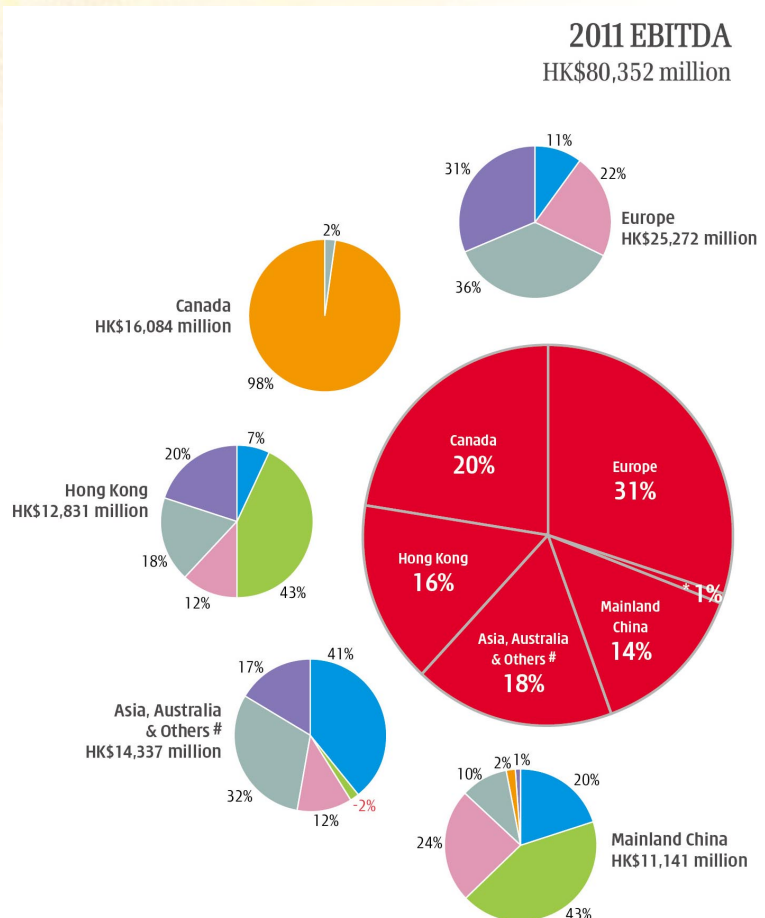
- Ports & Related Services
- Property & Hotels
- Retail
- Infrastructure
- Energy
- Telecommunications

\* Represents contribution from Finance & Investments and others  
 # Includes Panama, Mexico & Middle East

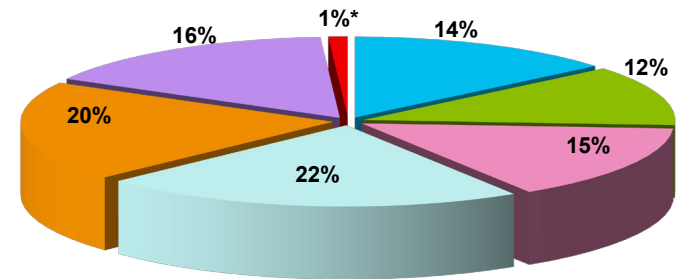
# Business & Geographical Diversification

## EBITDA Contribution

**2011 EBITDA Contribution by Geographical Location**



**2011 EBITDA Contribution by Division**



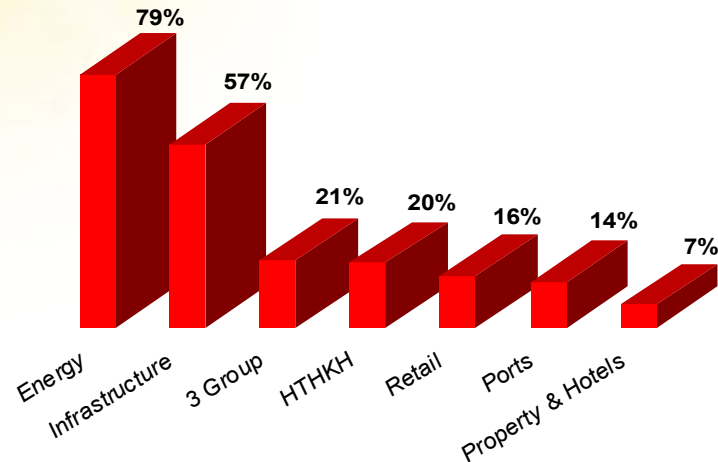
- Ports & Related Services
- Property & Hotels
- Retail
- Infrastructure
- Energy
- Telecommunications

\* Represents contribution from Finance & Investments and others  
# Includes Panama, Mexico & Middle East

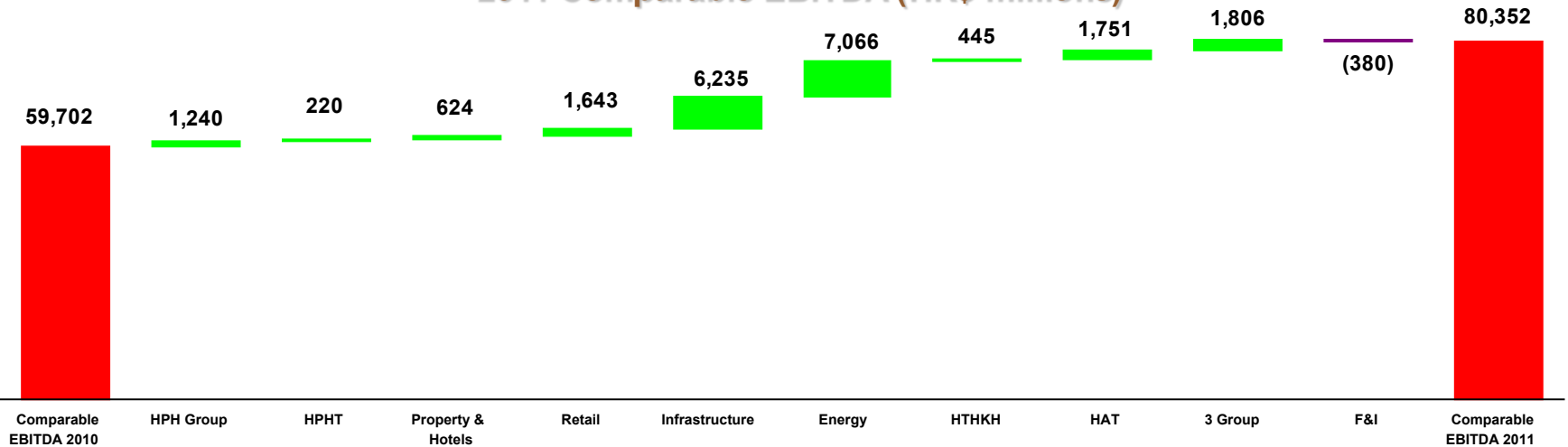
# Business & Geographical Diversification

## EBITDA Growth of Major Business Units

2011 Comparable EBITDA Annual Growth (%)  
by major business units



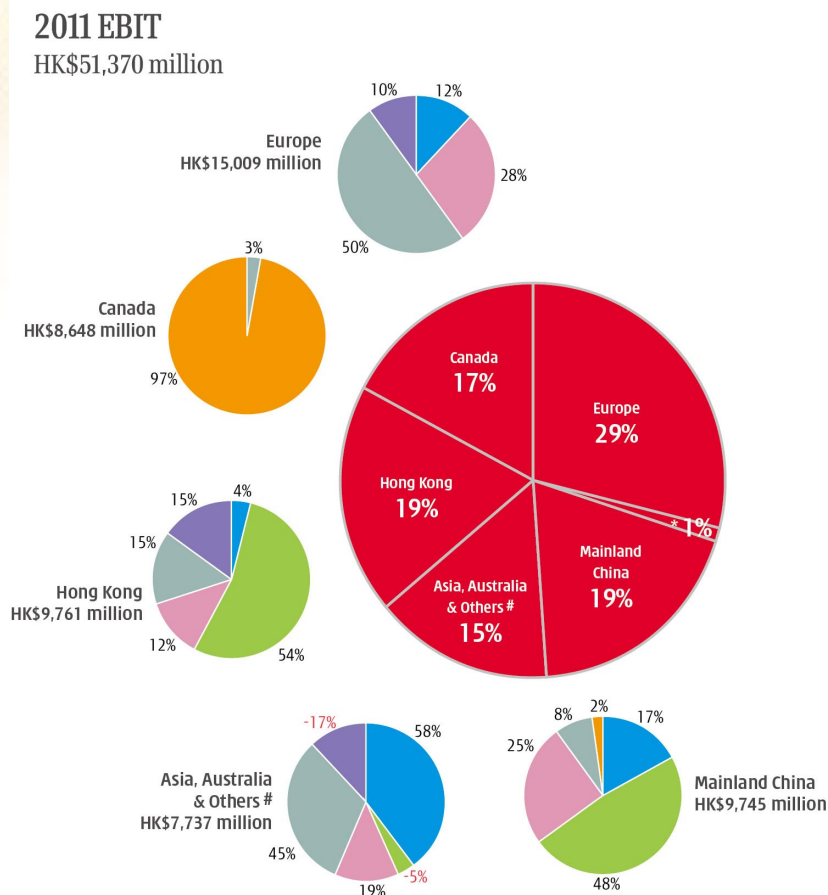
2011 Comparable EBITDA (HK\$ millions)



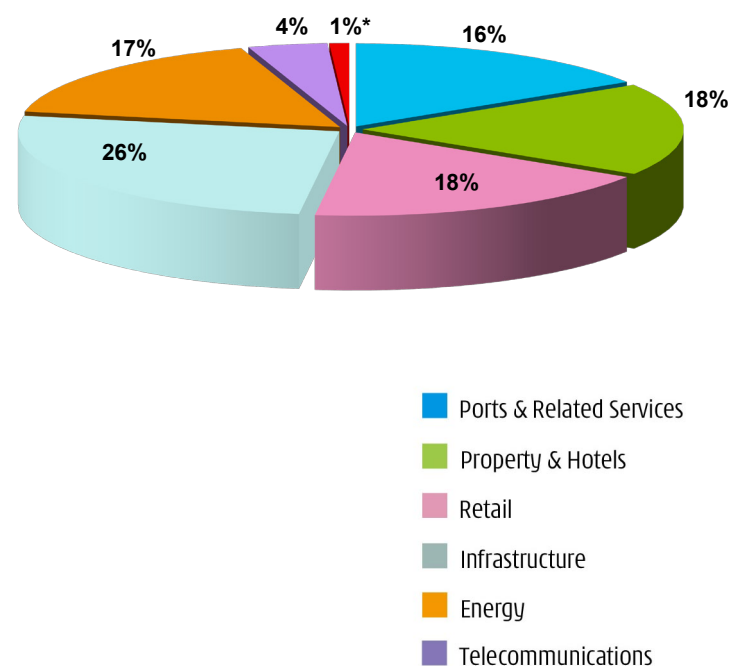
# Business & Geographical Diversification

## EBIT Contribution

### 2011 EBIT Contribution by Geographical Location



### 2011 EBIT Contribution by Division



\* Represents contribution from Finance & Investments and others  
# Includes Panama, Mexico & Middle East



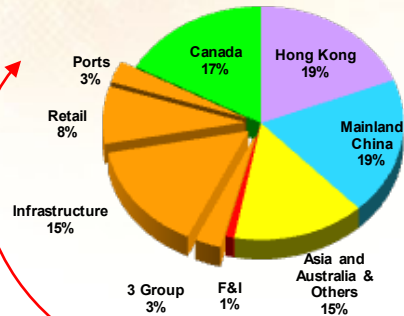
# European Contribution

Revenue, EBITDA & EBIT

## 2011 EBIT

HK\$51.4bn

Y-O-Y Growth of 33%

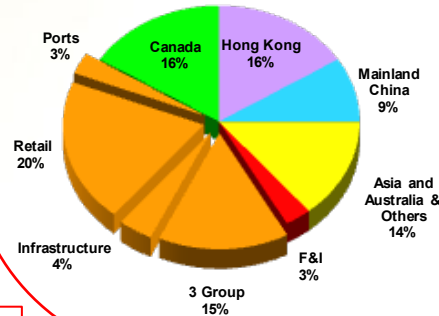


Europe **29%**  
 HK\$15.0bn  
 Y-O-Y Growth of 55%

## 2011 Total Revenue

HK\$387.7bn

Y-O-Y Growth of 22%



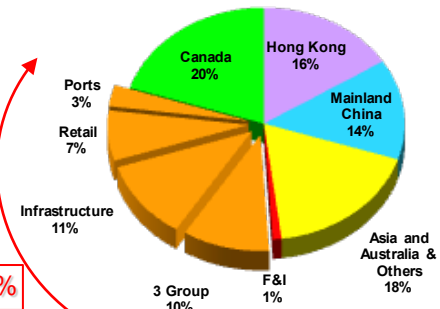
Europe **42%**

HK\$162.4bn  
 Y-O-Y Growth of 22%

## 2011 EBITDA

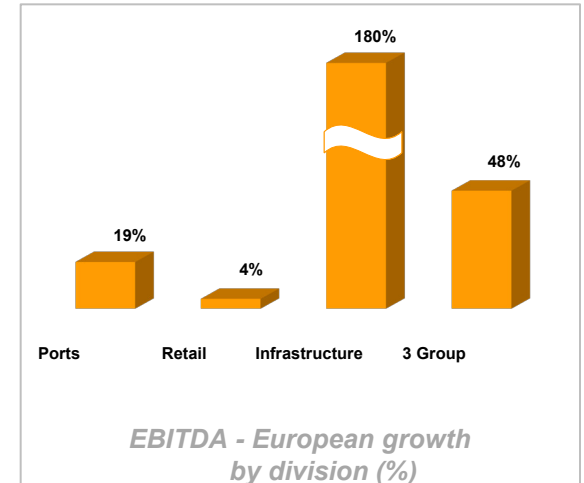
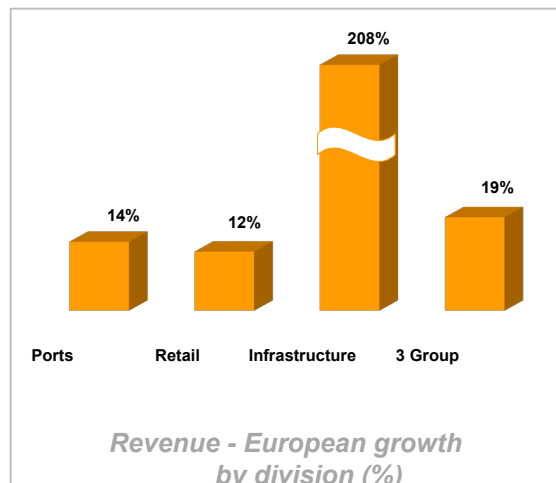
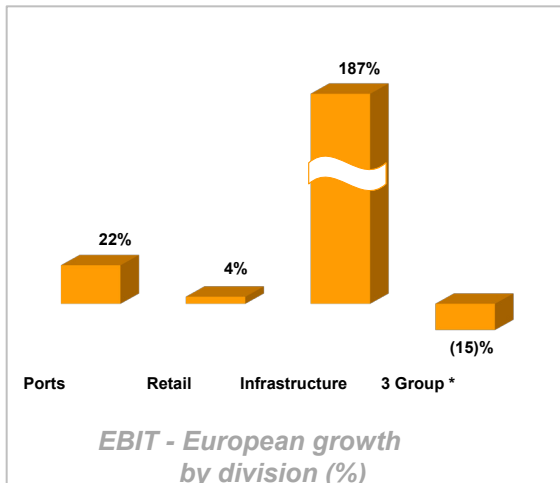
HK\$80.4bn

Y-O-Y Growth of 32%



Europe **31%**

HK\$25.3bn  
 Y-O-Y Growth of 57%



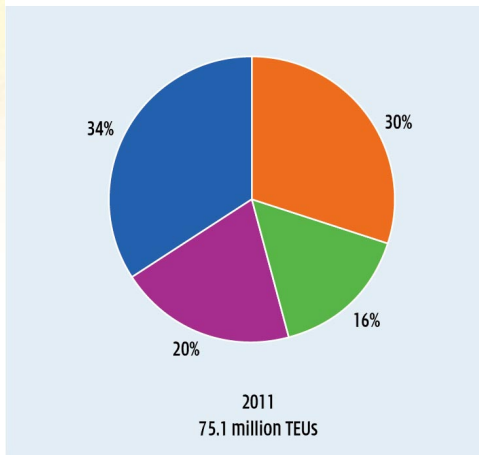
\* EBIT reduction of 3 Group represents lower one-time net gains recognised by 3 UK and 3 Italia in 2011

# Ports and Related Services

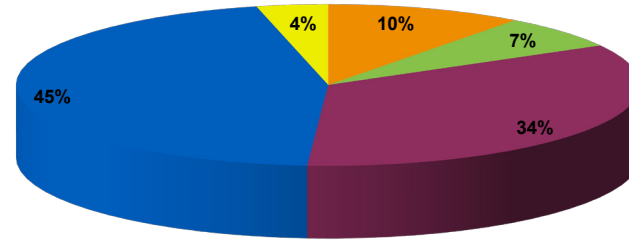
## Revenue & EBITDA

- Annual throughput increased by 5%\* while total revenue and EBITDA increased by 12% and 14% respectively in 2011
- Number of operating berths will increase from 269 to 275 in 2012 with the opening of additional facilities in Barcelona, Huizhou, Brisbane and Klang

Total Container Throughput



■ HPH Trust / HPH Trust operations    ■ Mainland China and Hong Kong  
■ Europe    ■ Asia, Australia and Others

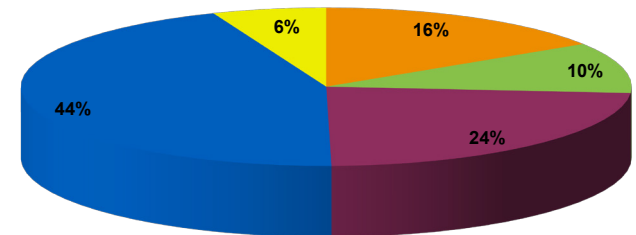


■ HPH Trust / HPH Trust operations    ■ Mainland China & Hong Kong  
■ Europe    ■ Asia, Australia and Others  
■ Other port related services

Y-O-Y Growth of 5%\*

\* On a like-with-like basis after excluding the impact of 3.3 million TEUs from the cessation of the container handling business at Shanghai Container Terminal from Jan 2011.

Total Revenue : HK\$32,518 million  
Y-O-Y Growth <sup>(1)</sup> of 12%



■ HPH Trust / HPH Trust operations    ■ Mainland China & Hong Kong  
■ Europe    ■ Asia, Australia and Others  
■ Corporate cost & other port related services

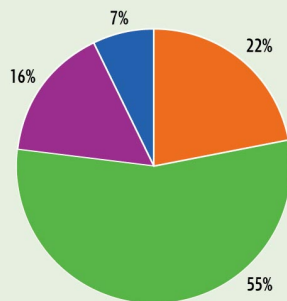
EBITDA : HK\$11,745 million  
Y-O-Y Growth <sup>(1)</sup> of 14%

Note: (1) To enable a better comparison of underlying performance, revenue and EBITDA for 2010 only reflect the Group's attributable share of results based on the effective shareholdings in HPH Trust / HPH Trust operations during 2011 so that the year-on-year changes can be calculated on a like-with-like basis.

# Property and Hotels

## Revenue & EBITDA

Total Revenue  
by Subdivision

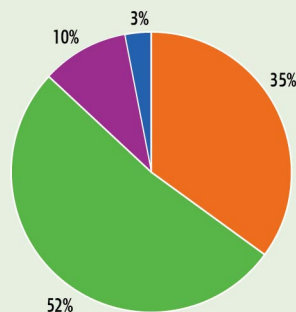


2011  
HK\$17,226 million



*Y-O-Y Growth of 7%*

EBITDA  
by Subdivision



2011  
HK\$9,903 million



*Y-O-Y Growth of 7%*

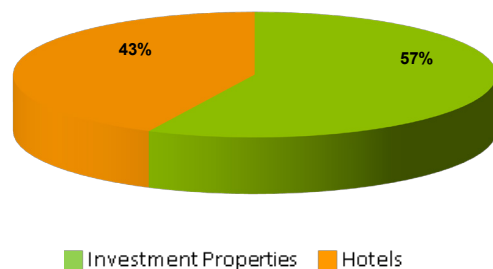
- EBITDA increased by 7% to HK\$9.9 billion
- EBITDA from development properties & gains on disposals grew by 5% to HK\$5.2 billion in 2011
- EBITDA from the hotels division increased by 42% to HK\$1.0 billion

# Property and Hotels

## Investment Properties & Hotels

### Revenue of Investment Properties and Hotels

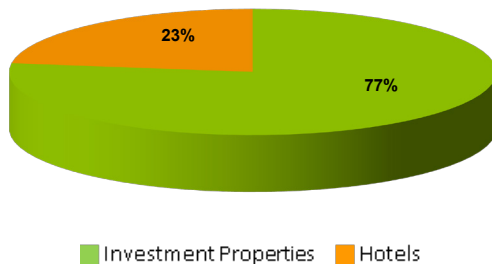
HK\$6,608 million



Y-O-Y Growth of 3%

### EBITDA of Investment Properties and Hotels

HK\$4,479 million



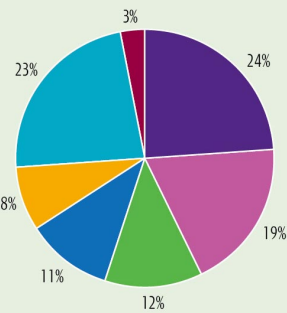
Y-O-Y Growth of 5%

- Stable recurring income streams
- EBITDA from investment properties & hotels totalled HK\$4,479 million, an increase of 5% in 2011
- 88% gross rental income for investment properties are derived from properties in Hong Kong, and overall income declined by 2% due to the sale of Beijing Oriental Plaza
- Investment properties average occupancy rate at 97%
- Total average hotel rooms occupancy rate at 83%
- The Group's rental portfolio generated 8% yield on carrying value of approximately HK\$48 billion, including share of property joint ventures

# Property and Hotels

## Development Activities

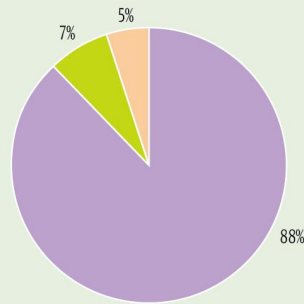
Gross Floor Area of Development Projects by Geographical Location



Total: 99 million square feet



Gross Floor Area of Development Projects by Property Types



Total: 99 million square feet



## Mainland China

- Share of revenue on development sales from property joint ventures was HK\$7.6 billion from the sale of 5.4 million attributable sq. ft. of properties in 2011 (2010 – 4.5 million sq. ft.)
- Attributable share of contracted sales was HK\$6.0 billion in 2011 with an attributable GFA of 3.4 million sq. ft.
- Acquired interests in 5 sites in 2011, with an attributable share of 5.9 million sq. ft.
- Total average land cost is approx. RMB208 per sq. ft.

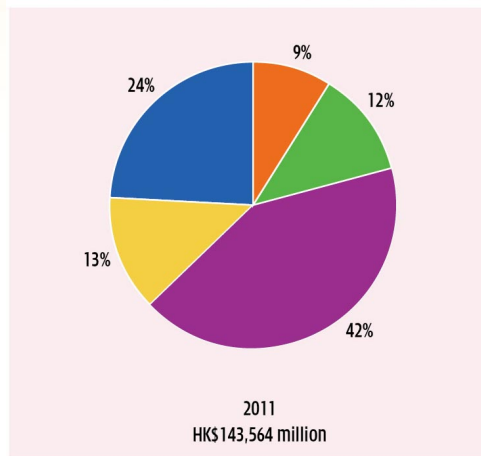
## Overall

- Plans to complete an attributable share of 13.2 million sq. ft. in GFA of residential and commercial properties during 2012
- Attributable landbank of approximately 99 million sq. ft., comprising 50 projects in 24 cities.

# Retail

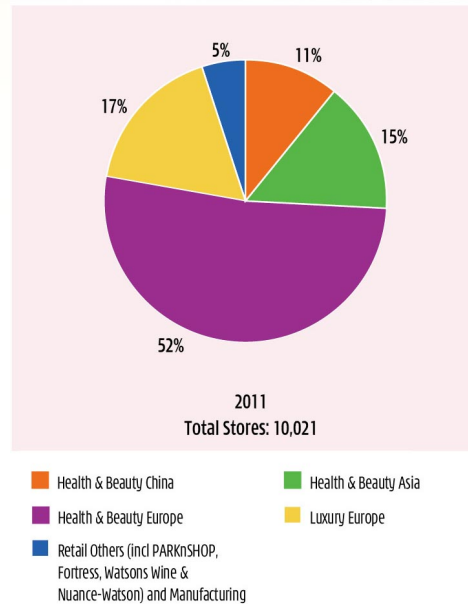
## Revenue, Store Numbers & EBITDA

Total Revenue  
by Subdivision



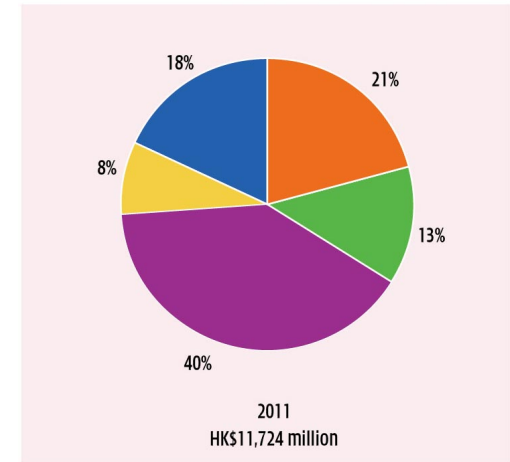
Y-O-Y Growth of 17%

Total Retail Store Numbers  
by Subdivision



Y-O-Y Growth of 8%

EBITDA  
by Subdivision

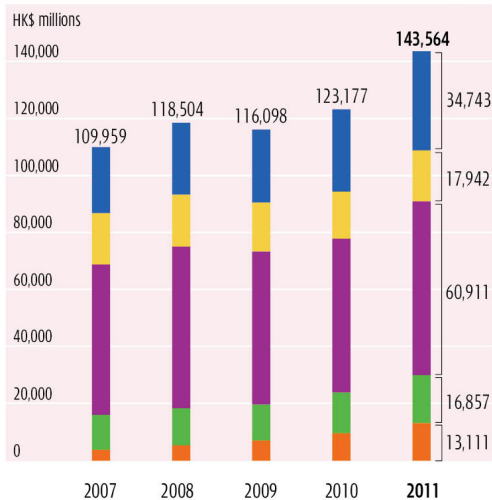


Y-O-Y Growth of 16%

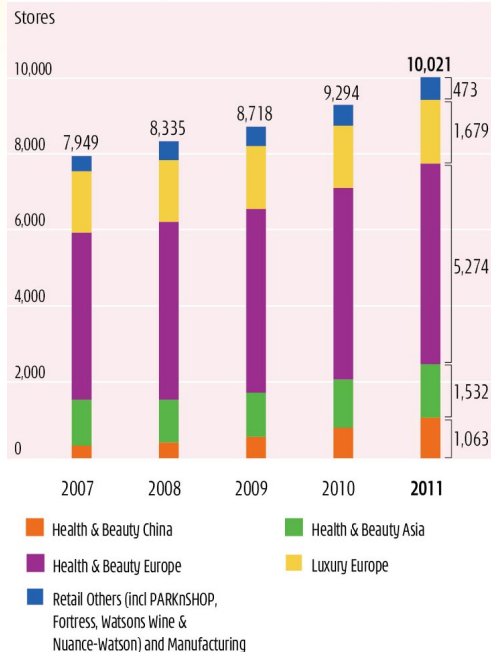
# Retail

## Segment and Sales Growth Analysis

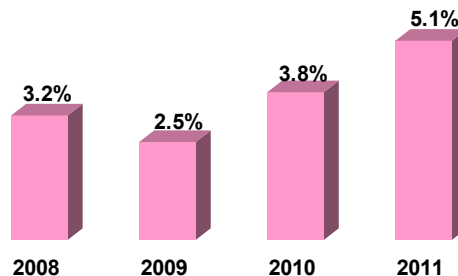
### Total Revenue by Subdivision



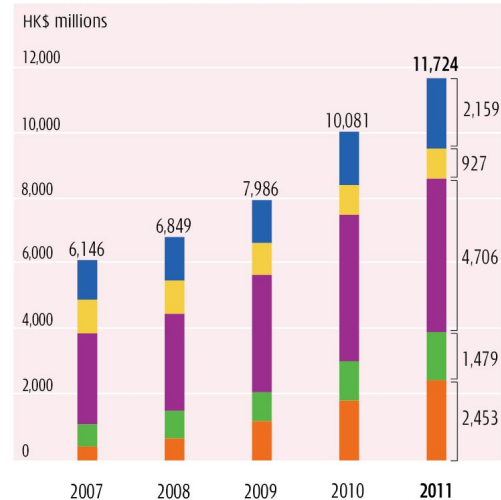
### Total Retail Store Numbers by Subdivision



### Comparable Store Sales Growth (%) \*



### EBITDA by Subdivision



\* Comparable store sales growth represents the % change in the net sales from comparable stores from the same period last year

# Retail

## Health & Beauty China



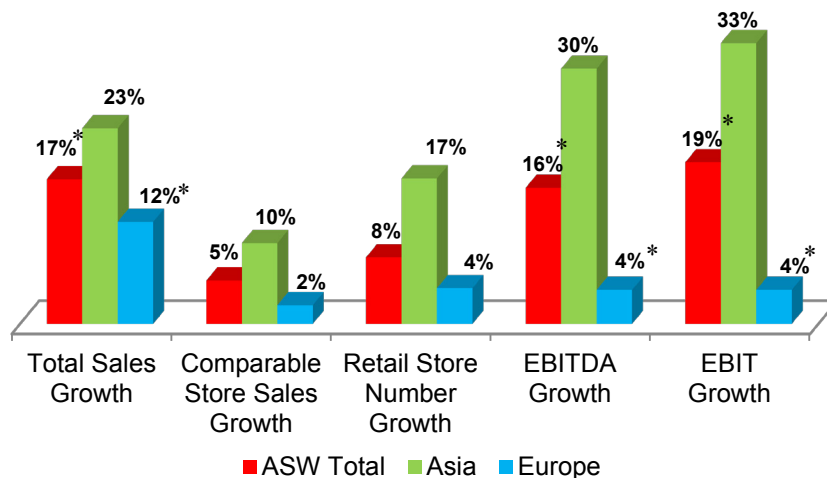
- H&B China has the highest growth and is the single largest country contributor
- Comparable store sales growth of 7.8% in 2011
- Surpassed 1,000 stores in 2011 and further expansion is planned for 2012



# Retail

## Analysis by Region

### Retail - Growth by Region



\* In local currencies, total sales growth, EBITDA growth and EBIT growth rates for ASW Total are approximately 12%, 12% and 15% respectively, whilst for Europe are 7%, 1% and 1% respectively.

- Revenue growth of 17% and comparable store sales growth of 5% are the fastest growth rates in the past 5 years for the retail operation
- Revenue from Health & Beauty and retail operations in Asia and Mainland China, increased by 23% with strong growth from Mainland China, Malaysia and Hong Kong
- Comparable store sales growth from Health & Beauty Europe and Luxury Europe was 2% in 2011
- Resilient to current weak economy in Europe as store numbers in Southern Europe only account for around 3% of the total stores

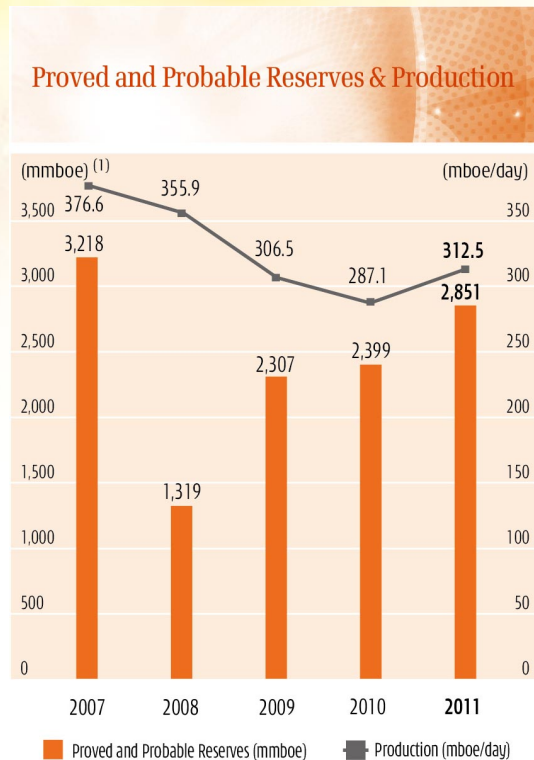
# Infrastructure

## EPS & DPS



- Cheung Kong Infrastructure increased its earnings by 54% to HK\$7,745 million
- First full year contribution from UK Power Networks & Seabank Power
- Included 2.5 months of profit contribution from Northumbrian Water in 2011. First full year profit contribution in 2012.
- Strong financial platform to seek value-enhancing and earnings-accretive acquisitions

# Energy

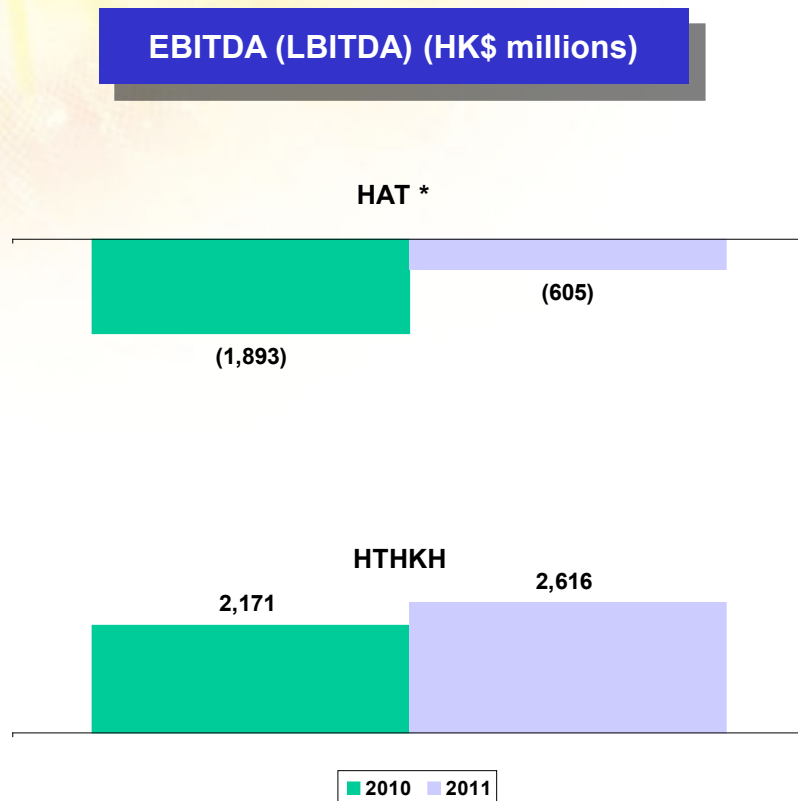


- Husky Energy achieved 135% increase in net earnings to C\$2,224 million
- Annual production increased by 9% to 312.5 mboe/day, a reversal of the trend of declining production in the last few years
- Achieved a proved reserves replacement ratio (before royalties) of 180% for 2011
- First gas delivery from Liwan Gas Project in late 2013 / early 2014
- Phase I of Sunrise Energy Project will commence production in 2014

Note (1): Oil and gas reserves disclosures for 2010 and 2011 have been prepared in accordance with Canadian Securities Administrators' National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" ("NI 51-101") effective 31 December 2010 ("Canadian method"). In prior years, Husky Energy applied for and was granted an exemption from certain provisions of NI 51-101 which permitted Husky Energy to present oil and gas reserves disclosures in accordance with the rules of the United States Securities and Exchange Commission guidelines and the United States Financial Accounting Standards Board ("SEC method"). The guidance was effective from 31 December 2010. Accordingly, the 2010 and 2011 figures are shown under the Canadian method, while 2007 to 2009 are shown under the SEC method.

# Telecommunications - HTHKH & HAT

## EBITDA Evolution



\* Before gain on disposal of Thailand operation of HK\$463 million in 2011

## HAT

- HAT has a mobile customer base of over 34.2 million with operations in Indonesia, Vietnam and Sri Lanka.
- HAT will continue to focus on expansion, particularly in Indonesia

## HTHKH

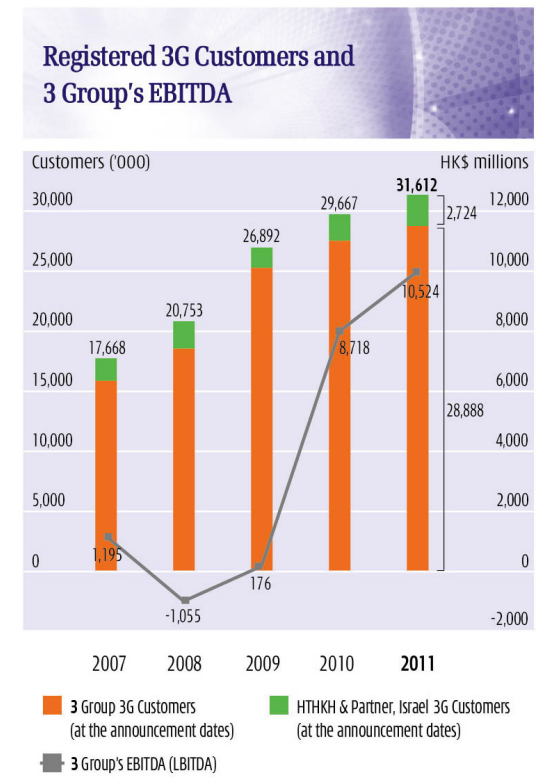
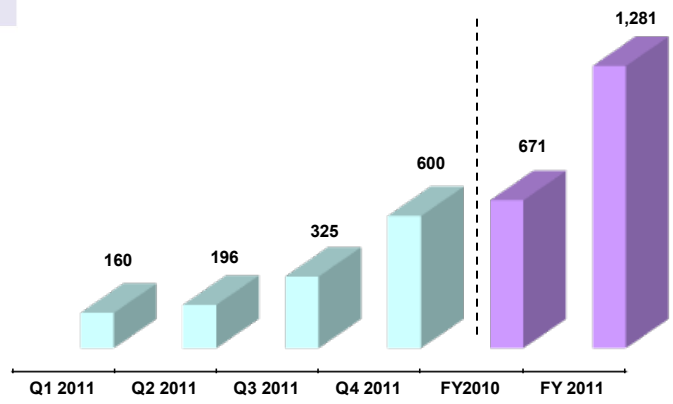
- HTHKH has a combined mobile customer base of over 3.5 million in Hong Kong and Macau
- HTHKH's EBITDA growth is from its mobile business, driven by higher smartphone penetration and data usage

# Telecommunications – 3 Group

EBIT positive for the second year



### European Net Additions – Contract Customers by Quarter ('000) <sup>(1)</sup>



\* Partner Communications was disposed during 2009

# Telecommunications – 3 Group

## 2011 Results by operations

<i>(in millions)</i>	UK	Italy	Sweden	Denmark	Austria	Ireland	Australia <sup>(1)</sup>	3 Group
	GBP	EURO	SEK	DKK	EURO	EURO	AUD	HK\$
<b>Total Revenue</b>	1,787	1,782	5,641	2,355	321	150	2,297	<b>74,288</b>
% Improvement (Reduction)	14%	3%	41%	18%	6% <sup>(3)</sup>	53%	(5%)	<b>16%</b>
<b>EBITDA (LBITDA)</b>	191	257	1,766	595	36	(28)	313	<b>10,524</b>
% Improvement (Reduction)	16%	(2%)	187%	68%	(53%) <sup>(3)</sup>	50%	(34%)	<b>21%</b>
<b>Capex <sup>(4)</sup></b>								<b>8,170</b>
<b>EBITDA less Capex <sup>(4)</sup></b>								<b>2,354</b>
<b>EBIT (LBIT)</b>	30	6	1,171	360	2	(54)	Loss attributable to shareholders of A\$168mn in 2011, compared to a profit of A\$73mn in 2010	<b>1,481</b>
% Improvement (Reduction)	(83%) <sup>(2)</sup>	(94%) <sup>(2)</sup>	29,375%	205%	(50%) <sup>(3)</sup>	31%		<b>(49%) <sup>(2)</sup></b>

(1) Represents results as announced by listed subsidiary HTAL

(2) Decrease in EBIT mainly due to no one-off gains reported by 3 UK and lower one-off gains reported by 3 Italia in 2011. Excluding the one-off gains, growth rates in 2011 for 3 UK, 3 Italia and 3 Group were 299%, 30% and 224% respectively

(3) Excluding a one-time marketing contribution in 2010, revenue, EBITDA and EBIT growth in 2011 were 30%, 73% and 103% respectively

(4) In addition to the Capex amount shown above, the Group has acquired spectrum licences totalling HK\$2,810 million

# Telecommunications – 3 Group

## Key Business Indicators

### Key Business Indicators

Key business indicators for the 3 Group businesses and HTHKH's 3G customers are as follows:

	UK	Italy	Sweden	Denmark	Austria	Ireland	Australia <sup>(1)</sup>	3 Group	Hong Kong and Macau <sup>(2)</sup>	Total
<b>Customer Base - Registered Customers at 28 March 2012 ('000)</b>										
<b>Prepaid</b>	3,600	5,644	155	170	396	509	2,728	13,202	959	14,161
% Variance (December 2011 vs December 2010)	20%	(1%)	-	86%	39%	27%	(16%)	2%	67%	5%
<b>Postpaid</b>	4,619	3,595	1,258	637	1,025	334	4,218	15,686	1,765	17,451
% Variance (December 2011 vs December 2010)	17%	5%	14%	11%	19%	34%	-	9%	13%	9%
<b>Total</b>	<b>8,219</b>	<b>9,239</b>	<b>1,413</b>	<b>807</b>	<b>1,421</b>	<b>843</b>	<b>6,946</b>	<b>28,888</b>	<b>2,724</b>	<b>31,612</b>
% Variance (December 2011 vs December 2010)	18%	1%	12%	21%	24%	30%	(7%)	6%	27%	7%

	UK	Italy <sup>(5)</sup>	Sweden	Denmark	Austria	Ireland	Australia <sup>(3)</sup>	3 Group Average <sup>(5)</sup>	3 Group Average <sup>(5)</sup> (Without FX impact)
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### 12-month Trailing Average Revenue per Active User <sup>(4)</sup> ("ARPU") to 31 December 2011

<b>Prepaid</b>	£8.05	€8.22	SEK100.99	DKK150.99	€10.73	€16.88	A\$27.73	€12.73	€12.36
<b>Postpaid</b>	£28.61	€31.25	SEK325.17	DKK283.96	€23.50	€36.84	A\$66.33	€37.13	€36.27
<b>Blended Total</b>	<b>£21.87</b>	<b>€19.86</b>	<b>SEK307.82</b>	<b>DKK263.68</b>	<b>€22.35</b>	<b>€30.96</b>	<b>A\$51.34</b>	<b>€28.27</b>	<b>€27.59</b>
% Variance compared to 31 December 2010	(3%)	(14%)	-	(9%)	3%	22%	(5%)	(4%)	(6%)
<b>Non-voice ARPU</b>	<b>£10.19</b>	<b>€8.34</b>	<b>SEK126.42</b>	<b>DKK139.76</b>	<b>€11.43</b>	<b>€17.94</b>	<b>A\$21.31</b>	<b>€12.41</b>	<b>€12.13</b>
% of total ARPU	47%	42%	41%	53%	51%	58%	42%	44%	44%

(1) Active customers (including customers of mobile virtual network operators ("MVNOs")) at 31 December 2011 as announced by listed subsidiary HTAL, updated for net additions to 28 March 2012.

(2) Active 3G customers at 31 December 2011 as announced by listed subsidiary HTHKH, updated for net additions to 28 March 2012.

(3) ARPU (Excluding ARPU from MVNOs) at 31 December 2011 as announced by listed subsidiary HTAL.

(4) ARPU equals total monthly tariff revenue divided by the average number of active customers during the period, where an active customer is one that has generated revenue from an outgoing call, incoming call or 3G service in the preceeding three months.

(5) For comparability purposes, the reported ARPU for Italy and the 3 Group Average in 2010 have been restated to reflect the reduction of incoming mobile termination rates from €11 cents to €9 cents, effective from 1 July 2010 due to an adverse court ruling by the Italian State Council.

# Telecommunications – 3 Group

## Key Business Indicators

2011	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Average <sup>(1)</sup>
Contract customers as a % of total registered customer base	55%	38%	88%	80%	73%	41%	53%
Contract customers contribution to the customer services revenue base (%)	86%	79%	97%	90%	95%	82%	84%
Average monthly churn rate of total contract registered customer base (%)	1.7%	2.6%	1.7%	3.0%	0.3%	1.3%	2.0%
Active contract customers as a % of total contract registered customer base	97%	96%	100%	100%	99%	85%	98%
Active customers as a % of total registered customer base	79%	70%	95%	99%	80%	50%	82%
Weighted average per customer acquisition cost, on a 12-month trailing basis							€ 114

2010	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Average <sup>(1)</sup>
Contract customers as a % of total registered customer base	55%	36%	87%	87%	76%	39%	52%
Contract customers contribution to the customer services revenue base (%)	88%	80%	97%	97%	96%	78%	84%
Average monthly churn rate of total contract registered customer base (%)	2.1%	2.4%	1.6%	2.6%	0.3%	2.4%	2.0%
Active contract customers as a % of total contract registered customer base	97%	96%	100%	100%	99%	87%	98%
Active customers as a % of total registered customer base	81%	68%	94%	98%	83%	50%	82%
Weighted average per customer acquisition cost, on a 12-month trailing basis							€ 91

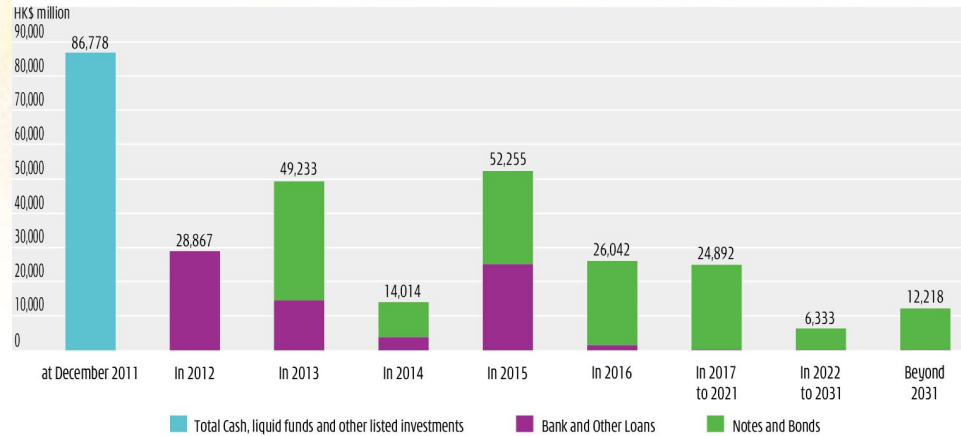
(1) 3 Group average includes Australia KBIs



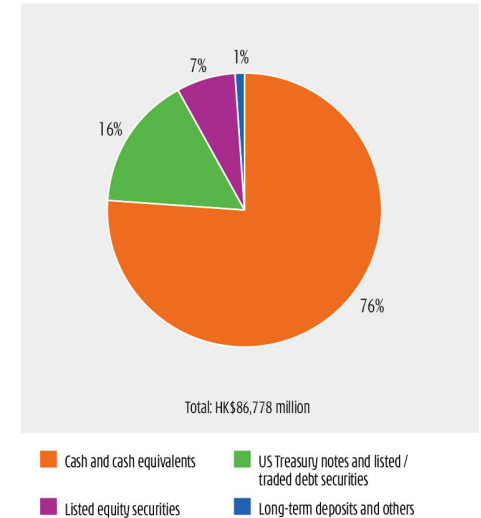
# Financial profile

Net Debt Ratio not exceeding 25%

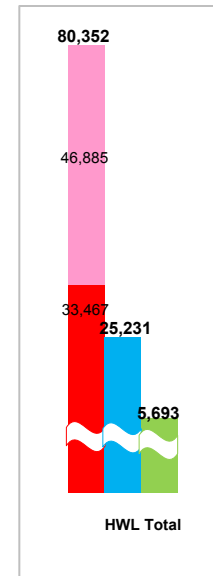
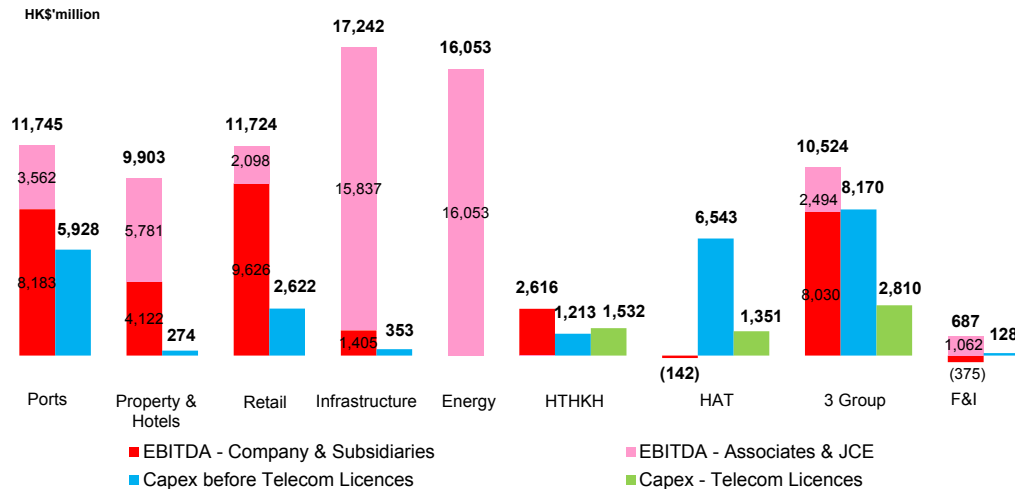
Debt Maturity Profile at 31 December 2011



Liquid Assets by Type at 31 December 2011



2011 EBITDA less Capex (by division)



Net Debt to Net Total Capital Ratio

