Hutchison Telecoms

Hutchison Telecommunications (Australia) Limited
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Companies Announcements Office

Australian Securities Exchange

Date 2 August 2011

Subject: Half Year Results

Please find attached the Company's results for the half year to 30 June 2011 in the form of Appendix 4D.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited ABN 15 003 677 227

ASX Half year information – 30 June 2011

Lodged with the ASX under Listing Rule 4.2A.

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2010 and any public announcements made by Hutchison Telecommunications (Australia) Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Hutchison Telecommunications (Australia) Limited
Half Year Ended 30 June 2011
(Previous corresponding period: Half year ended 30 June 2010)

Results for Announcement to the Market

Hutchison Telecommunications (Australia) Limited ("HTAL") reports a $78.2 million loss for the six months to 30 June 2011, compared with a profit of $17.9 million in the corresponding period last year. HTAL's share of Vodafone Hutchison Australia Pty Limited's ("VHA") net loss included in HTAL's result for the period increased to $78.8 million for the six months to 30 June 2011 from $0.6 million in the corresponding period last year. HTAL's revenue from ordinary activities only represents interest income received on shareholder loans to VHA. VHA reduced its shareholder loan from HTAL, and, as a result, HTAL's revenue from ordinary activities in the six months to 30 June 2011 declined from $19.1 million in the corresponding period last year to $3.4 million.

				$'000
Revenue from ordinary activities *(Appendix 4D item 2.1)*	down	82.1%	to	3,414
Loss from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)*	down	537.9%	to	(78,172)
Net loss for the period attributable to members *(Appendix 4D item 2.3)*	down	537.9%	to	(78,172)

Dividends/distributions *(Appendix 4D item 2.4)*	Amount per security	Franked amount per security
Final dividend *(prior year)*	Nil	Nil
Interim dividend	Nil	Nil

Record date for determining entitlements to the interim dividend *(Appendix 4D item 2.5)*

N/A

Hutchison Telecommunications (Australia) Limited
ABN 15 003 677 227

Half Year Report – 30 June 2011

Directors' Report

Your Directors present their report on the Consolidated Entity consisting of Hutchison Telecommunications (Australia) Limited ("the Company" or "HTAL") and the entities it controlled at the end of, or during, the half year ended 30 June 2011.

Directors

The following persons were Directors of HTAL during the whole of the half year and up to the date of this report:

FOK Kin-ning, Canning
Barry ROBERTS-THOMSON
CHOW WOO Mo Fong, Susan
Justin Herbert GARDENER
LAI Kai Ming, Dominic
John Michael SCANLON
Frank John SIXT
Ronald Joseph SPITHILL

Review of HTAL's results

Hutchison Telecommunications (Australia) Limited ("HTAL") accounts for its investment in Vodafone Hutchison Australia Pty Ltd ("VHA") as an equity investment. Under this method, revenue from VHA's ordinary activities is not included in HTAL's consolidated revenues from ordinary activities.

HTAL reports a $78.2 million loss for the six months to 30 June 2011, compared with a profit of $17.9 million in the corresponding period last year. The VHA results (including revenue and operating costs) are included in the "share of net losses of jointly controlled entities and partnership accounted for using the equity method" in HTAL's Statement of Comprehensive Income.

HTAL's revenue from ordinary activities represents only interest income received on shareholder loans to VHA. The external refinancing that VHA secured in June 2010 resulted in a reduction in its shareholder loan from HTAL, and, as a result, HTAL's revenue from ordinary activities in the six months to 30 June 2011 declined 82.1% to $3.4 million.

No dividend was declared or paid by HTAL for the half year to 30 June 2011.

Review of VHA's operating performance attributable to HTAL[1]

This section outlines the operating performance of VHA attributable to HTAL. References to VHA financial results reflect the 50% share of VHA attributable to HTAL. References to customer metrics reflect the total customer base of VHA.

VHA half year operating performance metrics

The network and customer service issues that affected some customers in late 2010 and the early part of 2011, combined with a highly competitive mobile market, has had an impact on Vodafone's sales and retention, flowing through to VHA's financial performance and customer growth in the first half of 2011.

Despite a small underlying increase in the postpaid handset and mobile broadband ("MBB") customer base, in the six months to 30 June 2011, VHA's total customer base declined 375,000 to 7.2 million. This was primarily driven by a decline in the prepaid handset and MBB customer base (including MVNO) of 347,000 in the half year to 30 June 2011. This included a number of one-off adjustments arising from reporting changes, which contributed 78,000 of the net prepaid decline. The reported postpaid handset and MBB customer base (including MVNO) declined 28,000 in the same period, due to a one-off 32,000 reduction arising from reporting changes.

The proportion of customers on postpaid plans (excluding MVNO) increased to 61.4% of the total customer base.

Total VHA revenue attributable to HTAL was $1,137.6 million, a decrease of 3.5% year on year. Customer service revenue of $1,038.5 million was 3.0% lower, due to the net decline in customer base, and a slight reduction in ARPU from $53.48 to $52.87. ARPU was impacted by competitive pressure on pricing and increased credits during the first half of 2011.

Non-voice ARPU of $21.17 represented an increase of 0.5% compared with the equivalent period last year. Nearly half of the total handset base now has a smartphone, and the number of customers using data on their handset exceeded 2.3 million at 30 June 2011, an increase of 52.0% compared with 30 June 2010. The total number of customers (including MBB) using 3G services reached 3.2 million, an increase of more than 800,000 year on year.

Operating margin as a percentage of service revenue decreased from 77.3% in the corresponding period last year to 74.5%. HTAL's share of VHA's operating margin decreased from $828.1 million in the corresponding period last year to $773.5 million in the six months to 30 June 2011. This was driven by higher interconnection costs from increased voice and SMS usage.

VHA's operating expenditure increased to $625.0 million in the six months to 30 June 2011, compared with $590.1 million in the corresponding period last year. Strong control over customer acquisition costs, and delivery of merger synergy savings, mitigated upward pressure on retention costs during a challenging period. Per unit acquisition costs decreased year on year from $155 to $144, reflecting the positive benefits of increased customer handset contributions and cost effective purchasing.

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[1] **Customers** reflects VHA's active services in operation at the end of the reporting period – including wholesale customers (MVNOs).
Service revenue excludes revenue from sales of handsets, interest income and other income.
ARPU represents rolling 12 month average service revenue per user per month at the end of the period across prepaid and postpaid customers.

Integration activities remain on track to deliver the $2 billion net present value from cost synergies, as announced at the time of the merger. Major milestones achieved in the six months to 30 June 2011 include the appointment of a new vendor for IT managed services, voicemail platform consolidation and improvements to key IT systems. The retail store consolidation is now largely completed, and two-thirds of the programme to refit and upgrade Vodafone retail stores is also complete. Consolidation of the radio access network ("RAN"), core network and transmission is also under way.

HTAL's share of VHA EBITDA decreased 36.8% to $140.8 million.

HTAL's share of capital expenditure was $162.1 million, 30.6% higher than the corresponding period last year, as a result of the increased investment in the Vodafone network.

Network improvements

The major focus for VHA this half year has been improving the Vodafone network, both resolving performance issues and expanding and strengthening the network.

The Vodafone network plans announced in October 2010 have been accelerated. VHA is now well progressed in delivering these plans, including:

- Upgrading the current network to provide more capacity and coverage,
- Building a new 3G 850MHz network, particularly good for smartphones and MBB,
- Replacing equipment across the entire RAN (2G and 3G technologies) with equipment ready for 4G LTE technology, and
- Core network and transmission upgrades.

As a result of this accelerated programme, more Vodafone customers are now experiencing greater coverage, increased capacity and better performance than before on the Vodafone network.

Today, more than half of the initial build for Vodafone's new 3G 850MHz network roll-out is complete with 788 new 3G 850MHz sites now added to the network.

On the existing 2G and 3G networks, 815 sites have been upgraded to date.

Having started the major equipment replacement project in the Newcastle / Hunter and Central Coast regions, VHA is now installing new equipment in Canberra and Perth. The rest of the RAN replacement will be completed during 2012.

Service improvements

To provide Vodafone customers with improved service, a number of initiatives have been introduced during the past six months, including:

- Over 300 customer service staff added, and 24/7 support is now available through both the postpaid and prepaid customer care teams,
- Provision of an option to be called back rather than waiting on hold,
- Enhancements to online support, including the extension of our Twitter and Facebook customer support hours from 8am until midnight on weekdays, and from 9am to 5pm on weekends,
- A new community forum for customers to provide support and answers to questions, as well as the ability to discuss topics online,
- Enhanced coverage checkers and real time network performance tools online, and
- Introduction of first point resolution capability to resolve customer issues in store.

With these initiatives in place, the experience for most customers has improved significantly, with faster response times, a greater range of service options that suit customers' preferences and improved visibility of network coverage and performance.

As a result of the network and service improvements, Vodafone customers' complaints to the Telecommunications Industry Ombudsman ("TIO") have been trending downward, with total complaints to the TIO falling 36% between the first and second quarters of this year.

VHA outlook

With significant improvements already made to the Vodafone network, and customers' experience of the network improving, VHA is focused on ensuring the network plans remain on track for the remainder of the year.

By the end of 2011, VHA expects to have built 1,000 sites on Vodafone's new 3G 850 MHz network. On the existing 2G and 3G networks, an additional 515 sites will be upgraded and 500 new network sites added across the country to improve coverage, signal strength, and overall network quality.

Further customer service improvement initiatives are planned for coming months. VHA is also confident that the Australian Communications and Media Authority's 'Reconnecting the Customer' initiative will produce sound policy outcomes that will benefit consumers through improved customer service throughout the industry.

VHA remains engaged on a number of other significant government policy issues. VHA is participating in fixed line service trials with NBN Co. In the review of mobile terminating access rates by the Australian Competition and Consumer Commission, VHA is seeking an outcome that will enhance competition in both mobile and fixed to mobile markets. The process of renewal of existing spectrum licences also continues.

Postpaid handset churn, having peaked at 2.2% during the first half of 2011, is expected to return to the levels seen before the network and customer experience issues. VHA anticipates an improvement in sales volumes during the second half of 2011, assuming current economic and competitive conditions remain. VHA also expects to continue to realise merger synergy benefits from the continuation of the integration programme.

VHA expects to improve profitability in the second half although reporting a full year loss for 2011. VHA does expect, however, to generate positive free cash flow before financing in the 2011 year, but at a lower level than in the 2010 financial year.

HTAL is supportive of VHA's robust recovery plan, and particularly the significant investment being made in the network. HTAL is confident that this investment, and the improvements to customer service, will support VHA's return to profitable growth, and is pleased that the merger synergies remain on track.

Review of VHA's operating performance attributable to HTAL[2]	Half - year			
	June 2011	**Dec 2010**[3]	**June 2010**	**Y/Y change**
The items below represent the 50% share of VHA attributable to HTAL				
Total revenue ($m)	**1,137.6**	1,231.8	**1,179.1**	-3.5%
Service revenue ($m)	**1,038.5**	1,130.5	**1,070.9**	-3.0%
Operating margin ($m)	**773.5**	862.5	**828.1**	-6.6%
EBITDAR ($m)	**148.5**	263.2	**238.0**	-37.6%
EBITDA ($m)	**140.8**	253.1	**222.7**	-36.8%
Capital expenditure ($m)	**162.1**	177.4	**124.1**	30.6%
The items below represent totals for VHA				
Operating margin as a % of Service revenue	**74.5%**	76.3%	**77.3%**	-2.8%
Operating expenditure as a % of Service revenue	**60.2%**	55.3%	**55.1%**	5.1%
Capital expenditure as a % of Service revenue	**15.6%**	15.7%	**11.6%**	4.0%
Customer acquisition cost per unit	**$144**	$135	**$155**	-7.1%
Mobile customers ('000)	**7,201**	7,576	**7,434**	-3.1%
- 3G services - mobile broadband ('000)	**822**	855	**782**	5.1%
- 3G services - handset ('000)	**2,333**	2,149	**1,535**	52.0%
Customer growth ('000)	**-375**	142	**539**	-169.6%
Postpaid %	**61.4%**	59.4%	**58.0%**	3.4%
Prepaid %	**38.6%**	40.6%	**42.0%**	-3.4%
ARPU	**$52.87**	$54.02	**$53.48**	-1.1%
ARPU voice	**$31.70**	$32.28	**$32.41**	-2.2%
ARPU non-voice	**$21.17**	$21.74	**$21.07**	0.5%
– Non-voice, non-SMS	**$10.95**	$11.65	**$10.92**	0.3%
– SMS	**$10.22**	$10.09	**$10.15**	0.7%

[2] **EBITDA** represents Service revenue less interconnect cost and running operating expenditure plus capitalised incremental direct acquisition and retention costs in accordance with AIFRS. Interest income has been reclassified to finance cost.
EBITDAR represents EBITDA excluding one off restructuring costs associated with the merger.
Capital expenditure includes share of capital expenditure in the period for the 3G network joint venture with Telstra.
Customer acquisition cost per unit represents the average direct costs, including commissions, promotional credits and handset subsidies associated with acquiring each new customer for the period.
3G services – mobile broadband includes mobile broadband cards, USB modems, Netconnect Cards and embedded broadband sims.
3G services – handset includes customers with billed 3G services on handset.
Operating margin is Service revenue less interconnect and variable content costs.
Operating expenditure includes other direct costs of provision of telecommunication services, employee benefits expense, advertising and promotion expenses, net of other income and share of profits of jointly controlled entities and partnership accounted for using the equity method (3GIS) and excludes one off restructuring costs associated with the merger.
Postpaid and prepaid % bases exclude MVNO customers

[3] The results represent six months of the 50% share of VHA attributable to HTAL.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Rounding of amounts

The Consolidated Entity is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar or cent.

Auditor

Deloitte Touche Tohmatsu has been appointed as auditor and continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors.

Director
2 August 2011

Director
2 August 2011

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Hutchison Telecommunications (Australia) Limited
40 Mount St
North Sydney, NSW 2060

2 August 2011

Dear Board Members,

Hutchison Telecommunications (Australia) Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Hutchison Telecommunications (Australia) Limited.

As lead audit partner for the review of the financial statements of Hutchison Telecommunications (Australia) Limited for the half year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha

Sandeep Chadha
Partner
Chartered Accountants

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Comprehensive Income
For the half year ended 30 June 2011

	June 2011 $'000	June 2010 $'000
Revenue	**3,414**	19,061
Advertising and promotion expenses	**(148)**	(146)
Other operating expenses	**(67)**	(412)
Finance costs	**(75)**	(48)
Share of net losses of jointly controlled entities and partnership accounted for using the equity method	**(78,750)**	(605)
(Loss) / profit before income tax	**(75,626)**	17,850
Income tax expense	**(2,546)**	-
(Loss) / profit for the period	**(78,172)**	17,850
Other comprehensive income		
Changes in the fair value of cash flow hedges, net of tax	**(5,429)**	-
Other comprehensive income for the period, net of tax	**(5,429)**	-
Total comprehensive income for the period attributable to members of Hutchison Telecommunications (Australia) Limited	**(83,601)**	17,850
	Cents	Cents
Earnings per share for (loss) / profit from continuing operations attributable to the ordinary equity holders of the Company		
Basic earnings per share	**(0.58)**	0.13
Diluted earnings per share	**(0.58)**	0.13

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Financial Position
As at 30 June 2011

	June 2011 $'000	Dec 2010 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	**5,162**	5,317
Trade and other receivables	**2,299**	2,299
Other financial assets	**101,575**	1,394
Other	**163**	163
Total Current Assets	**109,199**	9,173
Non-Current Assets		
Other financial assets	**77,886**	74,870
Investment accounted for using the equity method	**1,516,782**	1,600,961
Deferred tax assets	**7,034**	9,580
Total Non-Current Assets	**1,601,702**	1,685,411
Total Assets	**1,710,901**	1,694,584
LIABILITIES		
Current Liabilities		
Payables	**23,601**	23,677
Other financial liabilities	**317,838**	217,838
Total Current Liabilities	**341,439**	241,515
Total Liabilities	**341,439**	241,515
Net Assets	**1,369,462**	1,453,069
EQUITY		
Contributed equity	**4,204,488**	4,204,488
Reserves	**69,555**	74,990
Accumulated losses	**(2,904,581)**	(2,826,409)
Total Equity	**1,369,462**	1,453,069

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Changes in Equity
For the half year ended 30 June 2011

	Attributable to members of Hutchison Telecommunications (Australia) Limited					
		Reserves				
	Contributed equity $'000	Capital Redemption $'000	Cash flow hedges $'000	Share options $'000	Retained profits / (losses) $'000	Total equity $'000
Balance at 1 January 2010	**4,204,488**	**54,887**	**-**	**15,954**	**(2,899,851)**	**1,375,478**
Profit for the period	-	-	-	-	17,850	17,850
Changes in the fair value of cash flow hedges, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**17,850**	**17,850**
Transactions with members in their capacity as members:						
Employee share options - value of employee services	-	-	-	(12)	-	(12)
Subtotal	**-**	**-**	**-**	**(12)**	**-**	**(12)**
Balance at 30 June 2010	**4,204,488**	**54,887**	**-**	**15,942**	**(2,882,001)**	**1,393,316**
Balance at 1 January 2011	**4,204,488**	**54,887**	**4,207**	**15,896**	**(2,826,409)**	**1,453,069**
Loss for the period	-	-	-	-	(78,172)	(78,172)
Changes in the fair value of cash flow hedges, net of tax	-	-	(5,429)	-	-	(5,429)
Total comprehensive income for the period	**-**	**-**	**(5,429)**	**-**	**(78,172)**	**(83,601)**
Transactions with members in their capacity as members:						
Employee share options - value of employee services	-	-	-	(6)	-	(6)
Subtotal	**-**	**-**	**-**	**(6)**	**-**	**(6)**
Balance at 30 June 2011	**4,204,488**	**54,887**	**(1,222)**	**15,890**	**(2,904,581)**	**1,369,462**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Cash Flows
For the half year ended 30 June 2011

	June 2011 $'000	June 2010 $'000
Cash Flows from Operating Activities		
Payments to suppliers and employees (inclusive of GST)	**(840)**	(3,299)
Interest received	**218**	718
Finance costs paid	**(62)**	(48)
Net cash outflows from operating activities	**(684)**	(2,629)
Cash Flows from Investing Activities		
Loans to jointly controlled entities	**(100,000)**	-
Proceeds from loans to jointly controlled entities	**529**	54,090
Net cash (outflows) / inflows from investing activities	**(99,471)**	54,090
Cash Flows from Financing Activities		
Proceeds from borrowings – related parties	**100,000**	-
Repayment of borrowings - related parties	**-**	(50,097)
Net cash inflows / (outflows) from financing activities	**100,000**	(50,097)
Net (decrease) / increase in cash and cash equivalents	**(155)**	1,364
Cash and cash equivalents at 1 January	**5,317**	2,858
Cash and cash equivalents at 30 June	**5,162**	4,222

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year report

This general purpose financial report for the interim half year reporting period ended 30 June 2011 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2010 and any public announcements made by Hutchison Telecommunications (Australia) Limited ("the Company"), during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Principles of consolidation

The consolidated preliminary financial statements include the financial statements of Hutchison Telecommunications (Australia) Limited and its subsidiaries ("Consolidated Entity") made up to 30 June 2011.

Subsidiaries are all those entities (including special purpose entities) over which the Consolidated Entity has the power to govern the financial and operating policies so as to obtain variable returns from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

The effects of all transactions between entities in the Consolidated Entity are eliminated. If a member of the Consolidated Entity uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Investments in controlled entities in the Company are accounted for at cost.

Joint ventures

A joint venture is a contractual arrangement whereby the venturers undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

(i) Jointly controlled entity
A jointly controlled entity is a joint venture which involves the establishment of a separate entity. The Consolidated Entity's interest in the joint venture entity is accounted for in the consolidated financial statements using the equity method of accounting. Under this method the share of the profits or losses of the entity is recognised in the profit or loss of the Consolidated Entity, and the share of the movements in reserves is recognised in reserves in the statement of financial position.

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture are eliminated to the extent of the Consolidated Entity's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

(ii) Jointly controlled assets
The proportionate interests in the assets, liabilities, income and expenses of a jointly controlled asset have been incorporated in the financial statements under the appropriate headings.

Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision maker. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately.

Going concern disclosures

As at 30 June 2011, the Consolidated Entity has a deficiency of net current assets of $232 million (2010: $232 million). Included in the Consolidated Entity's current liabilities is an amount of $318 million (2010: $218 million) which relates to an interest free financing facility provided from a wholly owned subsidiary of the Company's ultimate parent entity, Hutchison Whampoa Limited ("HWL"), which is repayable on demand. HWL has confirmed its current intention to provide sufficient financial support to enable the Consolidated Entity to meet its financial obligations as and when they fall due. This undertaking is provided for a minimum period of twelve months from 2 August 2011. Consequently, the directors have prepared the financial statements on a going concern basis.

Rounding off of amounts

The Consolidated Entity is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar or cent.

New accounting standards and interpretations

In the current period, the Consolidated Entity has adopted all of the new and revised effective / applicable standards, amendments and interpretations issued by the Australian Accounting Standards Board that are relevant to the Consolidated Entity's operations and mandatory for annual periods beginning on or after 1 January 2011. The adoption of these standards, amendments and interpretations has not resulted in substantial changes to the Consolidated Entity's accounting policies.

2 Segment information

The Consolidated Entity has identified its operating segment based on the internal reports that are reviewed and used by the chief operating decision makers in assessing performance and in determining the allocation of resources.

The Consolidated Entity operated within the telecommunications industry until 9 June 2009. On 10 June 2009, the Company announced that the merger of its subsidiary Hutchison 3G Australia Pty Limited ("H3GA") with Vodafone Australia Limited had completed. H3GA has been renamed Vodafone Hutchison Australia Pty Limited ("VHA"). As a result, the Consolidated Entity now invests in an operator within the telecommunications industry. In 2011 the Consolidated Entity continued to invest in an operator within the telecommunications industry.

The chief operating decision maker of the Consolidated Entity receives information to manage its operations and investment based on one operating segment, an investor in an operator of telecommunication services. As such, the Consolidated Entity believes it is appropriate that there is one operating segment, investment in telecommunication services.

Key financial information used by the chief operating decision maker of the Consolidated Entity when evaluating the investment in telecommunication services operating segment includes:

HTAL's share of VHA	**June 2011 $m**	**June 2010 $m**
Total Revenue	**1,138**	1,179
Operating Margin	**774**	828
EBITDA	**141**	223

3 Events occurring after the reporting period

No matter or circumstance has arisen after the reporting period that has significantly affected, or may significantly affect:

(i) the operations of the Consolidated Entity in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the state of affairs of the Consolidated Entity in future financial years.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 10 to 16 are in accordance with the *Corporations Act 2001*, including:

(i) complying with accounting standards AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Director
2 August 2011

Director
2 August 2011

Hutchison Telecommunications (Australia) Limited

Supplementary Appendix 4D Information

NTA Backing *(Appendix 4D item 3)*

	June 2011	June 2010
Net tangible asset backing per ordinary share	$0.10	$0.10

Controlled entities acquired or disposed of *(Appendix 4D item 4)*

N/A

Additional dividend/distributions information *(Appendix 4D item 5)*

Details of dividends/distributions declared or paid during or subsequent to the half year ended 30 June 2011 – N/A

Dividend/distribution reinvestment plans *(Appendix 4D item 6)*

N/A

Associates and Joint Venture entities *(Appendix 4D item 7)*

Jointly controlled entity

HTAL owns a 50% interest in a joint venture with Vodafone Group Plc named Vodafone Hutchison Australia Pty Limited ("VHA"). The interest in VHA held by a controlled entity Hutchison 3G Australia Holdings Limited, is accounted for in the consolidated financial statements using the equity method.

The aggregate share of losses from VHA for the half year ended 30 June 2011 is $78,750,000 (2010: $605,000).

Information relating to the jointly controlled entity is set-out below:

	June 2011 $'000	June 2010 $'000
Interest in a jointly controlled entity	**1,516,782**	1,553,046
Share of the jointly controlled entity's assets and liabilities		
Current assets	**479,919**	559,025
Non-current assets	**3,075,401**	3,149,502
Total assets	**3,555,320**	3,708,527
Current liabilities	**(712,728)**	(640,233)
Non-current liabilities	**(1,560,822)**	(1,658,986)
Total liabilities	**(2,273,550)**	(2,299,219)
Net assets	**1,281,770**	1,409,308
Share of the jointly controlled entity's revenue, expenses and results		
Revenues	**1,137,611**	1,179,554
Expenses	**(1,216,361)**	(1,180,159)
Loss for the period	**(78,750)**	(605)
Reconciliation of interest in a jointly controlled entity		
Investment brought forward at 1 January	**1,600,961**	1,553,651
Loss for the period	**(78,750)**	(605)
Share of changes in fair value for cash flow hedges, net of tax	**(5,429)**	-
Interest in jointly controlled entity at 30 June	**1,516,782**	1,553,046

Hutchison Telecommunications (Australia) Limited
Compliance Statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

2 This report, and the financial statements upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on +accounts to which one of the following applies.

(Tick one)

- ☐ The +accounts have been audited.
- ✓ The +accounts have been subject to review.
- ☐ The +accounts are in the process of being audited or subject to review.
- ☐ The +accounts have *not* yet been audited or reviewed.

5 The audit review by the auditor is attached.

6 The entity has a formally constituted audit committee.

Sign here: .... Date: 2 August 2011
(Director)

Print name:

Sign here: .... Date: 2 August 2011
(Director)

Print name

Deloitte.

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Independent Auditor's Review Report to the Members of Hutchison Telecommunications (Australia) Limited

We have reviewed the accompanying half-year financial report of Hutchison Telecommunications (Australia) Limited ("the Company"), which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 10 to 19.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Hutchison Telecommunication (Australia) Limited's financial position as at 30 June 2011, and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Hutchison Telecommunications (Australia) Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Hutchison Telecommunications (Australia) Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hutchison Telecommunications (Australia) Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha

Sandeep Chadha
Partner
Chartered Accountants
Sydney, 2 August 2011