Hutchison Telecommunications
(Australia) Limited
ABN 15 003 677 227
A member of the
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Companies Announcements Office

Australian Stock Exchange

Date 22 August 2007

Subject: Half Year Results

Please find attached the Company's results for the half year to 30 June 2007 in the form of Appendix 4D and the Company's press release.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited ABN 15 003 677 227

ASX Half year information – 30 June 2007

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 2006 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 2007
(Previous corresponding period:
Half year ended 30 June 2006)

Results for Announcement to the Market

				$'000
Revenue from ordinary activities *(Appendix 4D item 2.1)*	up	28.6%	to	630,760
Loss from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)*	down	62.4%	to	(197,266)
Net loss for the period attributable to members *(Appendix 4D item 2.3)*	down	62.4%	to	(197,266)

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 — Day/Month/Year

(Appendix 4D item 2.5) — N/A

Hutchison Telecommunications (Australia) Limited
ABN 15 003 677 227

Half year report – 30 June 2007

Directors' report

Your Directors present their report on the Consolidated Entity consisting of Hutchison Telecommunications (Australia) Limited and the entities it controlled at the end of, or during, the half year ended 30 June 2007.

Directors

The following persons were Directors of Hutchison Telecommunications (Australia) Limited 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 H. GARDENER
LAI Kai Ming, Dominic
John Michael SCANLON
Frank John SIXT

Review of operations [1]

During the six months to 30 June 2007, Hutchison recorded improved financial performance with growth and margin improvement across key reporting areas. The Company increased EBITDA in the reporting period which, when compared with the same period twelve months ago, was up by $28.4 million to $31.4 million.

Compared with the corresponding half year in 2006:

- The number of **3** customers reached 1,405,000 on 30 June, up 361,000, or 34.6%
- **3** service revenue increased by 50.3% to $541.4 million
- **3** non-voice revenue grew to $138.7 million, an increase of 74.7%
- **3**'s average monthly margin improved from $44.9 million to $69.0 million
- Average margin per **3** customer was $52 of which $11, or 21.1%, came from non-voice services
- Margin per user was $51, an increase of $3 per user
- ARPU was $69, up from $65

[1] **Customers** reflect active **3** services in operation at the end of the reporting period and excludes Paging and Information Services.
Service revenue excludes revenue from sales of devices, interest income and other income.
ARPU represents rolling 12 month average service revenue per user per month at the end of the period across pre and post-paid customers**.**
Average margin per customer represents rolling 12 month average margin per customer, across pre and post-paid per month at the end of the period.
Margin represents service revenue less interconnect and variable content costs.

Review of Operating Performance [2]

	Half Year			
	June 2007	**Dec 2006**	**June 2006**	**Y/Y change**
Service revenue ($m)	**549.2**	501.3	**423.6**	29.7%
EBITDA ($m)	**31.4**	27.2	**3.0**	947%
NPAT ($m)	**(197.3)**	(234.7)	**(524.7)**	62.4%
Capital expenditure ($m)	**134.7**	119.3	**84.5**	59.4%
Customers – 3 ('000)	**1,405**	1,245	**1,044**	34.6%
2G ('000)	**-**	-	**87**	-100%
Total ('000)	**1,405**	1,245	**1,131**	24.2%
3 Post-paid %	**88.8%**	88.3%	**88.3%**	n/a
3 Pre-paid %	**11.2%**	11.7%	**11.7%**	n/a
3/2G ARPU	**$69.03**	$67.42	**$65.48**	5.4%
3 ARPU	**$69.16**	$70.50	**$73.88**	-6.4%
3 ARPU voice	**$52.07**	$53.27	**$55.18**	-5.6%
3 ARPU non-voice	**$17.09**	$17.23	**$18.70**	-8.6%
– non-SMS	**$7.10**	$6.98	**$7.51**	-5.5%
– SMS	**$9.99**	$10.25	**$11.19**	-10.7%
3/2G average margin per customer	**$50.88**	$49.29	**$47.49**	7.1%
3 average margin per customer	**$51.80**	$52.17	**$53.23**	-2.7%
– voice margin per customer	**$40.60**	$40.50	**$40.16**	1.1%
– non-voice margin per customer	**$11.20**	$11.67	**$13.07**	-14.3%
3 customers accessing Planet 3 ('000)	**1,055**	924	**642**	64.3%
3 content events (millions)	**57**	51	**42**	35.7%
3 customers generating a billed content event ('000)	**635**	578	**484**	31%
3 SMS sent (millions)	**589**	473	**318**	85.2%
Broadband subscriptions ('000)	**82**	n/a	n/a	n/a
3 customer acquisition cost	**$276**	$284	**$265**	4.2%

Note: statistical data represents management's best estimates

[2] **EBITDA** represents service revenue less interconnect cost and running operating expenditure plus capitalised incremental direct acquisition and retention costs in accordance with AIFRS. It also excludes CDMA network closure costs.
NPAT represents net loss after tax attributable to Hutchison Telecommunications (Australia) Limited after minority interest.
Capital expenditure represents cash spend on capital expenditure including the share of cash CAPEX in the period for the 3G network joint venture with Telstra.
3 customers generating a billed content event represents the average monthly number of customers that have been billed for a content event across the reporting period.
3 customer acquisition cost represents the average direct costs, including commissions, promotional credits and handset subsidies associated with acquiring each new customer for the period.
Broadband subscriptions represents the number of customers subscribing to either a handset data plan, mobile broadband card or modem, an X-Series plan, or mobile web via a handset, as at the end of June.

Financial performance improves
During the first half the Company successfully completed its recapitalisation, raising $2.85 billion from a rights issue of convertible preference shares. The proceeds of the capital raising have been used to retire a large portion of the Company's debt, which will result in lower interest charges going forward.

The business generated a positive EBITDA of $31.4 million in the half year. Contributing to the EBITDA was a 29.7% increase in service revenue combined with a 30.8% increase in operating margin.

The Company recorded an NPAT loss of $197.3 million for the half year ending June 2007, a 62.4% improvement on the NPAT loss reported at the end of June 2006. Included in the NPAT loss was a lower interest charge of $14.6 million.

Capital expenditure (CAPEX) of $134.7 million was higher for the reporting period than the same six months in 2006 and is principally attributable to network capacity enhancements and software licensing, a function of the strong customer growth during the first half.

Strong customer growth in aggressive market
In the six months ended 30 June 2007, **3**'s customer base grew by 160,000 and totalled 1,405,000 by the end of the period, of which 1,248,000 or 88.8% are post-paid customers. Of the 160,000 net adds for the half, 149,000 or 93.1% were post-paid customer acquisitions. Over the last six months the strong focus on retention and improved customer satisfaction has resulted in lower churn. Importantly, the former 2G CDMA customers that were upgraded to **3** in the first half of 2006 have shown a low propensity to churn.

Net customer growth ('000)	**Half Year**		
	June 2007	**Dec 2006**	**June 2006**
3 post-paid	**149**	146	**105**
3 pre-paid	**11**	24	**29**
Net customer growth in 3	**160**	170	**134**
Net customer growth in CDMA	**-**	(56)	**(38)**
Total net customer growth	**160**	114	**96**

Post-paid churn for **3** was 1.2% in the first half of 2007 - down from 1.6% in the same period last year. Customer satisfaction levels, as measured by both internal and external surveys, continue to grow.

During the first half of 2007, 8 handsets were introduced to the range; 4 from Nokia, 2 from LG, 1 from Dopod and 1 from Palm. Currently, 25 models of 3G handsets (excluding numerous colour choices) from 6 vendors plus a Mobile Broadband Card and USB modem are available to purchase through our extensive distribution network.

Growth in margin
From June 2006 to June 2007, the Company has improved overall margin by almost $100 million to $421.7 million. **3**'s average margin has grown from $44.9 million per month during the first half of 2006, to $69.0 million per month during the first half of 2007, an increase of 53.7%. The margin per **3** customer per month was $52 in June 2007. Margin per user remains steady compared to the second half in 2006 and is marginally lower than the first half.

Growth in usage of 3G services
3 total ARPU declined by 6.4% to $69 over the twelve months to the end of June 2007. The decline is due to the reduction in mobile interconnect rates to 12 cents from 15 cents on 1 January 2007, resulting in **3** voice ARPU decreasing to $52 at June 2007 from $55 at June 2006. Non-voice services ARPU, which includes messaging, multimedia content and high-speed access, declined from $19 at June 2006 to $17 at June 2007 due to the impact of the former 2G CDMA customers who are traditionally not regular users of 3G services. Excluding the former 2G CDMA customers from the 3G services ARPU calculations, the ARPU of the base was steady at $20. ARPU from SMS declined from $11 in 2006 to $10 in 2007.

During the first half of 2007, **3** has provided several new broadband and content services to our customers. In March 2007, **3** launched the X-Series, allowing customers to use their mobiles to access the most popular internet services at affordable prices and high speeds. In May 2007, we expanded our broadband offering with our HSDPA-enabled Mobile Broadband USB modem, bringing PC, laptop and Mac users mobile broadband connectivity that is easy to use, affordable and fast. In July, we extended the attractiveness of Mobile Broadband further with new pricing, including a $29 per month plan for 1 GB of data.

The broadband internet usage of our network continues to increase. At the end of June 2007, **3** had 82,000 subscribers either with an X-Series plan, a Mobile Broadband card, USB modem or using their phone as a modem. In addition there were more than 112,000 subscriptions to individual X-Series services.

Content offered through **3**'s portal, Planet **3,** was also expanded during the first half. New products include four new mobile TV channels – Animax, Nick Junior, Nickelodeon and Fox Sports News bringing the total number of mobile TV channels to 16 - a location enabled directory service, truelocal.com.au, and an extended games offering.

Controlled operating expenditure

Total running operating expenditure in the business increased by 29.1% from $321.1 million in the six months ended 30 June 2006 to $414.4 million in the current reporting period. The majority of the cost base (71.6%) is comprised of the direct costs of provision of telecommunications services and goods ($213.4 million) and net cost of handsets sold ($83.2 million). The increase in net handset costs reflects the greater retention and sales activity in this half. Employee benefits expenses ($55.7 million), advertising and promotions expenses ($28.3 million) and other operating expenses ($40.4 million) increased 1.9% between reporting periods.

The cost of acquisition ("CAC") for each new **3** customer in the first half of 2007 reduced to $276 from $284 in the second half of 2006, up from $265 in the first half of 2006. The CAC position reflects increased aggressive market activity due to the re-introduction of bullish subsidies by our major competitors in the first half.

Coverage and network quality continues to improve

At the end of March 2007, the Company completed the initial network upgrade to HSDPA. Current maximum downlink speeds are at 3.6 mbps while average user experience is between 600 kbps and 1.5 mbps. The Company is currently in the process of upgrading the network to increase speeds to provide an average user experience of 3.6 mbps.

With our joint venture partner, Telstra, the Company will continue to upgrade to faster speeds based on the availability of devices to operate at these faster speeds. During the first half of the year 60 new sites have been added mainly for infill and at the fringes of the **3** network coverage. We have plans with our JV partner to roll out more than 100 sites over the next twelve months. Currently there are over 2,500 3G network sites in operation.

Analysis of Financial Performance [5]

Summary Income Statement $million	Half Year			
	June 2007	**Dec 2006**	**June 2006**	**Y/Y change**
Service revenue	**549.2**	501.3	**423.6**	29.7%
Costs of interconnection and variable content	**(127.5)**	(119.8)	**(101.2)**	-26.0%
Margin	**421.7**	381.5	**322.4**	30.8%
Margin %	**76.8%**	76.1%	**76.1%**	0.9%
Running operating expenditure	**(414.4)**	(370.8)	**(321.1)**	-29.1%
Capitalisation	**24.1**	16.5	**1.7**	1,317.7%
EBITDA	**31.4**	27.2	**3.0**	946.7%
CDMA customer upgrade and site decommissioning costs	**-**	(8.7)	**(125.9)**	100.0%
3 depreciation and amortisation	**(116.6)**	(108.9)	**(101.0)**	-15.4%
2G depreciation and amortisation	**(2.8)**	(3.4)	**(176.9)**	98.4%
EBIT (loss)	**(88.0)**	(93.8)	**(400.8)**	78.0%
Finance cost	**(109.3)**	(140.9)	**(123.9)**	11.8%
Loss before tax	**(197.3)**	(234.7)	**(524.7)**	62.4%
Tax	**-**	-	**-**	n/a
Loss after tax	**(197.3)**	(234.7)	**(524.7)**	62.4%
Minority interest	**-**	-	**-**	n/a
NPAT (loss)	**(197.3)**	(234.7)	**(524.7)**	62.4%

3 non-voice revenue continues to increase
Total service revenue, which includes voice and non-voice revenue, for the six months ended June 2007 increased to $549.2 million, a 29.7% increase year on year. **3** service revenue rose by 50.3% from $360.1 million in the first half of 2006 to $541.4 million in this reporting period and contributed 98.6% of the Company's total service revenue. This growth included a strong contribution from non-voice services of $138.7 million, an increase of 74.7% over the corresponding period.

Interconnect revenue (included in total service revenue) increased by 22.2% from $99.6 million in the previous corresponding period to $121.7 million in the first half of 2007. Interconnect revenue was accounted for at the rate of 12 cents per minute, compared to 15 cents per minute during the same period in 2006.

[5] **Costs of interconnection and variable content** includes fixed line and mobile interconnect expenses plus variable content costs.

Running operating expenditure

$million	Half Year June 2007	Dec 2006	June 2006	Y/Y change
Other direct costs of provision of telecommunications services and goods	**213.4**	173.5	**160.6**	-32.9%
Net cost of handsets sold	**83.2**	77.5	**41.8**	-99.0%
Employee benefits expense	**55.7**	57.8	**53.5**	-4.1%
Advertising and promotion expenses	**28.3**	27.1	**28.2**	-0.4%
Other operating expenses	**40.4**	37.2	**40.4**	-
Other income	**(4.5)**	(1.3)	**(0.7)**	542.9%
Share of net profits of joint venture partnership accounted for using equity method	**(0.5)**	-	**(0.7)**	-28.6%
Interest and rental income	**(1.6)**	(1.0)	**(2.0)**	-20.0%
Total running operating expenditure	**414.4**	370.8	**321.1**	-29.1%

Other direct costs of providing telecommunications increased by $52.8 million compared to the first half of 2006. The increase reflects costs associated with a much larger customer base. Additionally domestic roaming charges are higher than for the first six months of 2006. The former 2G customer base - where a significant percentage are located in the Newcastle and Central Coast region - outside of **3**'s current coverage make a substantial contribution to the increase in roaming, along with the much larger overall base.

Included in running operating expenditure for the six months to 30 June is a net handset subsidy cost of $83.2 million for both acquisition and retention activity, which is higher than for the same period last year, due to the underlying growth in acquisitions as well as the increase in retention activity undertaken by the Company.

Employee benefits expense was $2.2 million higher (4.1%) than reported in the first half of 2006 due principally to salary costs.

Expenditure on advertising and promotions remained flat.

Other operating expenditure including travel and accommodation, consulting and professional fees, bad debt, ACMA and USO levies, general repairs and maintenance, and office expenses was the same as the corresponding half year in 2006.

Other income of $4.5 million mainly relates to net gains on foreign currency exchange and compares with $0.7 million in the six months period to 30 June 2006.

3 depreciation and amortisation was $15.6 million higher compared with the six months to 30 June 2006. In addition there were ongoing amortisation charges of $2.8 million for this half, relating to the 850MHz spectrum licence the book value of which was $30.2 million at 30 June 2007.

Finance costs decreased by $14.6 million this half year compared to the corresponding half year as a result of the Company's recapitalisation. Net debt, after deducting cash and cash equivalents, at 30 June 2007 was $1,029.9 million compared to $3,573.8 million at 31 December 2006.

Outlook

With **3**'s first HSDPA network upgrade complete, handset range continuing to expand, and activity in the 3G market generally increasing, **3** will continue to benefit from its early leadership position. The Company will continue to upgrade its network to provide customers with faster downlink speeds and uplink speeds as the devices become available to deliver these speeds to the consumer. The next milestone the Company expects to reach is to provide customers with average customer downlink speeds of 3.6 mbps.

Non-voice services will continue to drive **3**'s service revenue and margin growth. In the second half of 2007 growth in newer data services delivered through the X-Series and **3**'s Mobile Broadband products will be a major component of the continued increase in non-voice services revenue driven by **3**'s service innovation and our innovative approach to pricing, packaging and marketing. For example, in July 2007 the Company launched a new X-Series package providing entry-level access to the internet and preferred applications on the mobile for $12 per month.

In addition to new services, **3** is also bringing a new servicing experience to our customers with the rollout of our new servicing centres branded **3** Service, which will provide handset repair services to our customers. **3** Service centres will undertake handset servicing requests from **3**'s company owned stores and dealers, allowing stores to focus on sales activities. **3** Service facilities are equipped with the ability to upgrade customers, demonstrate products and services, and process service requests. **3** Service centres will open nationally direct to customers later this year. In the meantime, centres in Adelaide, Brisbane, Melbourne and Sydney are already accepting repairs from those **3** Stores with higher volumes of repairs.

With the recapitalisation completed in June, the Company will report a significant reduction in finance charges in the second half, enabling operating performance to be more appropriately reflected in NPAT. With the business continuing to operate strongly our expectation continues to be that we will exit 2007 with positive operating cashflow.

Telecom Corporation of New Zealand Limited (TCNZ) has now re-affirmed its interest in **3** by signing a Memorandum of Understanding in early August 2007 to move its 19.94% shareholding in Hutchison 3G Australia Holdings Pty Limited to a 10% shareholding in the Company, with an option to increase this stake to 19.94% for an exercise price between $250 million to $300 million, depending on when the option is exercised. As part of the transaction TCNZ's subsidiary AAPT, will transfer its 850MHz spectrum licences to the Company. These licences, in combination with our existing 850MHz licences, will give Hutchison a national 850MHz spectrum footprint with a number of potential options for future use.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100 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 have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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

FOK Kin-ning, Canning
Director
22 August 2007

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Auditors' Independence Declaration

As lead auditor for the review of Hutchison Telecommunications (Australia) Limited for the half year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Hutchison Telecommunications (Australia) Limited and the entities it controlled during the period.

RL Wilkie

Partner
PricewaterhouseCoopers

Sydney

22 August 2007

Hutchison Telecommunications (Australia) Limited
Consolidated income statement
For the half-year ended 30 June 2007

	Note	Half-year 2007 $'000	Half-year 2006 $'000
Revenue from continuing operations		**630,760**	490,530
Cost of interconnection and variable content costs		**(127,545)**	(101,150)
Other direct costs of provision of telecommunication services and goods		**(213,440)**	(160,570)
Cost of handsets sold		**(164,702)**	(106,783)
Employee benefits expense		**(55,696)**	(53,473)
Advertising and promotion expenses		**(28,337)**	(28,217)
Other operating expenses		**(40,370)**	(40,395)
Other income		**6,097**	697
Share of net profits of joint venture partnership accounted for using the equity method		**500**	670
CDMA network closure costs	3	**-**	(299,213)
Capitalisation of customer acquisition and retention costs		**24,135**	1,760
Depreciation expense		**(69,333)**	(61,664)
Amortisation expense		**(50,018)**	(43,001)
Finance costs		**(109,317)**	(123,895)
Loss before income tax		**(197,266)**	(524,704)
Income tax expense		**-**	-
Loss for the year		**(197,266)**	(524,704)
Net loss attributable to minority interest		**-**	-
Net loss for the year attributable to members of Hutchison Telecommunications (Australia) Limited		**(197,266)**	(524,704)

	Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:		
Basic earnings per share	**(29.07)**	**(77.32)**
Diluted earnings per share	**(29.07)**	**(77.32)**

	Cents	Cents
Earnings per share for loss attributable to the ordinary equity holders of the company:		
Basic earnings per share	**(29.07)**	**(77.32)**
Diluted earnings per share	**(29.07)**	**(77.32)**

The above consolidated income statement should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated balance sheet
As at 30 June 2007

	Note	30 June 2007 $'000	31 December 2006 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		**74,615**	23,593
Receivables		**252,427**	207,322
Inventories		**65,389**	64,593
Other		**16,421**	20,948
Total Current Assets		**408,852**	316,456
Non-Current Assets			
Receivables		**151,945**	103,843
Investment accounted for using the equity method		**1,170**	670
Property, plant and equipment		**968,477**	946,114
Intangible assets		**680,137**	706,020
Other		**3,381**	3,565
Total Non-Current Assets		**1,805,110**	1,760,212
Total Assets		**2,213,962**	2,076,668
LIABILITIES			
Current Liabilities			
Payables		**282,382**	300,017
Borrowings		**203,508**	750,788
Provisions		**1,468**	1,072
Derivative financial instruments		**2,629**	311
Other		**9,686**	7,756
Total Current Liabilities		**499,673**	1,059,944
Non-Current Liabilities			
Borrowings		**901,046**	2,846,619
Provisions		**1,504**	1,504
Total Non-Current Liabilities		**902,550**	2,848,123
Total Liabilities		**1,402,223**	3,908,067
Net Liabilities		**811,739**	(1,831,399)
EQUITY			
Contributed equity	4	**3,874,471**	1,031,244
Reserves		**53,901**	56,724
Accumulated losses		**(3,116,633)**	(2,919,367)
Parent entity interest		**811,739**	(1,831,399)
Minority interest		**-**	-
Total Equity		**811,739**	(1,831,399)

The above consolidated balance sheet 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 2007

	Note	Half-year 2007 $'000	Half-year 2006 $'000
Total equity at the beginning of the financial year		(1,831,399)	(1,071,847)
Changes in the fair value of cash flow hedges, net of tax		(2,318)	(311)
Net income recognised directly in equity		(2,318)	(311)
Loss for the year		(197,266)	(759,423)
Total recognised income and expense for the year		(199,584)	(759,734)
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs	4	2,843,227	-
Employee share options		(505)	182
Total equity at the end of the financial year		811,739	(1,831,399)
Total recognised income and expense for the year is attributable to:			
Members of Hutchison Telecommunications (Australia) Limited		(199,584)	(759,734)
Minority interest		-	-
		(199,584)	(759,734)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated cash flow statement
For the half-year ended 30 June 2007

	Half-year 2007 $'000	Half-year 2006 $'000
Cash Flows from Operating Activities		
Receipts from customers (inclusive of GST)	637,526	552,369
Payments to suppliers and employees (inclusive of GST)	(607,263)	(689,461)
	30,263	(137,092)
Interest received	2,617	1,921
Rental income	618	-
Finance costs paid	(166,797)	(120,118)
Net cash (outflows) from operating activities	(133,299)	(255,289)
Cash Flows from Investing Activities		
Payments for property, plant and equipment	(88,547)	(74,250)
Loans to joint venture	(45,628)	(13,051)
Payments for intangible assets	(24,135)	(1,760)
Net cash (outflows) from investing activities	(158,310)	(89,061)
Cash Flows from Financing Activities		
Proceeds from issues of convertible preference shares, net of transaction costs	2,843,227	-
Proceeds from borrowings	266,409	240,750
Repayment of borrowings	(2,764,917)	-
Repayment of finance lease	(2,088)	(2,223)
Net cash inflows from financing activities	342,631	238,527
Net increase (decrease) in cash and cash equivalents	51,022	(105,823)
Cash and cash equivalents at 1 January	23,593	120,450
Cash and cash equivalents at 30 June	74,615	14,627

The above consolidated cash flow statement 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 2007 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 2006 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*.

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

2 Segment information

Business Segment

The Consolidated Entity operated entirely within the telecommunications industry and is treated as one business segment.

Geographical Segment

The Consolidated Entity operated entirely within Australia.

3 Loss for the half year

On 1 February 2006, the Company announced it had joined its mobile services, branded Orange and **3**, under the single brand **3**. On 9 May 2006, the Company announced its intention to close the CDMA network on 9 August 2006. As a result of the network closure decision, the following costs were recognised in the results for the half-year ended 30 June 2006:

	2006 $'000
CDMA network closure costs	
CDMA customer upgrade costs	97,949
Site decommissioning costs	28,000
Depreciation and amortisation expense	173,264
	299,213

Customer upgrade costs included the direct and indirect costs of upgrading CDMA customers to the 3G network. This included handset subsidies, employee benefits and other expenses.

Site decommissioning costs principally related to site lease termination penalties and site make good costs.

Depreciation and amortisation expense reflected the acceleration of the remaining book value of assets supporting the CDMA network excluding the spectrum licence. The 850MHz spectrum licence continues to be amortised over the life of the licence as no decision has been made as to its continuing use in the existing business or sale. The Directors have reviewed the recoverable amount of the licence and believe this to be greater than the carrying amount at 30 June 2007.

4 Equity securities issued

	2007 Shares	2006 Shares	2007 $'000	2006 $'000
Issue of convertible preference shares, net of transaction costs	**13,572,508,580**	-	**2,843,227**	-
	13,572,508,580	-	**2,843,227**	-

Convertible preference shares

On 8 June 2007, 13,572,508,580 convertible preference shares were issued by Hutchison Telecommunications (Australia) Limited. The issue price was $0.21. Transaction costs of $7,000,000 were incurred and deducted from equity. None of these convertible preference shares are convertible into ordinary shares before July 2009.

5 Events occurring after the balance sheet date

On 3 August 2007 the Company announced that Telecom Corporation of New Zealand Limited will transfer its 19.94% holding in Hutchison 3G Australia Holdings Pty Limited to a 10% holding in the Company and take an option to increase this investment by a further 9.94% at any time before 31 December 2008, at strike prices of between $250 million and $300 million, depending on when the option is exercised. The transaction is subject to documentation and various regulatory and shareholder approvals.

Except for the above, there have been no material events subsequent to the end of the balance sheet date that have not been reflected in the financial statements.

Directors' declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 12 to 17 are in accordance with the *Corporations Act 2001,* including:

(i) complying with Accounting Standards, 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 2007 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.

FOK Kin-ning, Canning
Director

22 August 2007

Hutchison Telecommunications (Australia) Limited

Supplementary Appendix 4D information

NTA Backing *(Appendix 4D item 3)*

	2007	2006
Net tangible asset backing per ordinary share	$0.19	($3.43)

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 2007 – N/A

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

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

Jointly Controlled Entity

In December 2004 a controlled entity, Hutchison 3G Australia Pty Limited, established a 50% interest in a new partnership, 3GIS Partnership ('3GIS'), with Telstra OnAir Holdings Pty Limited. 3GIS's principal activity is the operation and construction of 3G radio access network infrastructure. The interest in 3GIS is accounted for in the consolidated financial statements using the equity method and is carried at cost.

The aggregate share of profits from 3GIS for the half-year ended 30 June 2007 is $500,000 (2006: $670,000).

Jointly Controlled Asset

Under the same joint venture agreement, the ownership of the 50% of the existing 3G radio access network infrastructure remains with Hutchison 3G Australia Pty Limited. On this basis the network assets are proportionally consolidated under the following classifications:

	30 June 2007 $'000	31 December 2006 $'000
Non-current assets		
Plant and equipment	**356,005**	356,005
Less: Accumulated depreciation	**(50,149)**	(40,153)
	305,856	315,852

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 accounts 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: .... (Director)   Date: 22 August 2007

Print name: FOK Kin-ning, Canning

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INDEPENDENT AUDITOR'S REVIEW REPORT to the members of Hutchison Telecommunications (Australia) Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hutchison (Telecommunications) Australia Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Hutchison (Telecommunications) Australia Limited Group (the consolidated entity). The consolidated entity comprises both Hutchison (Telecommunications) Australia Limited (the company) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2007 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.

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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not

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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.

For further explanation of a review, visit our website http:/www.pwc.com/au/financialstatementaudit.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of Hutchison (Telecommunications) Australia Limited (the Company) for the half-year ended 30 June 2007 included on Hutchison (Telecommunications) Australia Limited web site. The company's directors are responsible for the integrity of the Hutchison (Telecommunications) Australia Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 consolidated entity's financial position as at 30 June 2007 and of its performance for the half-year ended on that date; and

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

PricewaterhouseCoopers

PricewaterhouseCoopers

RL Wilkie
Partner

Sydney
22 August 2007

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Media Release

3's Customer Base Growth Highest in Industry

50% increase in 3 Service Revenue
Strong growth in non-voice

Sydney, 22 August 2007: Hutchison Telecommunications (Australia) Limited (ASX:HTA) today announced its results for the half year ended 30 June 2007, recording the industry's highest net mobile customer additions in the first six months of 2007.

3's customer base increased by 160,000 active net additions, taking the total base to 1.4 million customers – an increase of 35% from the same period last year. 93% of those net additions were post paid services, bringing **3**'s post paid customer base to 1.25 million in June - 89% of the total.

"3 continues to grow very strongly, attracting new customers and building our customer base as we also focus on retaining and improving our services for existing customers. We continue to lead industry innovation and through this deliver good value non-voice services that people really enjoy," said Nigel Dews, Chief Executive Officer, Hutchison Telecoms.

3's service revenue increased by 50% to $541.4 million when compared with the first half of 2006, driven by the growth of **3**'s customer base and usage of non-voice 3G services. **3**'s non-voice revenue increased 74.7% to $138.7 million.

Broadband and internet usage also continued to increase. A full suite of mobile broadband products was introduced during the half, including **3**'s new Mobile Broadband USB modem and the X-Series which enables customers to access internet services like Skype, Google and Instant Messenger Services on their mobile at market-leading value. At the end of June, 82,000 subscribers had an X-Series plan, a Mobile Broadband USB modem or card, or were using their mobile phone as a modem. In addition there were more than 112,000 subscriptions to individual X-Series services.

Other content from **3** continued to attract higher usage, with customers experiencing more than 57 million content events, including more than 2.7 million music events. Every month, an average of over 1 million customers accessed the Planet 3 portal, and an average of 635,000 generated at least one billed content event each month. Mobile TV also continued to be a popular service, with four new channels added - Nick Junior, Nickelodeon, Animax and Fox Sports News.

Average monthly margin for 3 increased to $69.0 million from $44.9 million between the first half of 2006 and the first half of 2007. Monthly margin per user was $52 and total monthly Average Revenue Per User (ARPU) was $69 despite decreasing mobile interconnect rates. More than 10% of **3**'s ARPU is from 3G services and 25% is from total non-voice ARPU.

Twelve months after reporting the first positive EBITDA result for the Company since launching **3**, Hutchison improved EBITDA by $28.4 million in the first half of 2007 to $31.4 million, and improved its NPAT loss by 62.4% to $197.3 million.

Last month the Company announced an agreement with Telecom New Zealand which, subject to regulatory and shareholder approval, will see Telecom transfer its 19.94% investment in **3** operator and Hutchison subsidiary H3GA, to a 10% stake in Hutchison Telecoms, and take an option to increase this investment by a further 9.94% at a strike price of $250 million to $300 million, depending on when the option is exercised. As part of the agreement Telecom New Zealand will assign its 850MHz spectrum licences including Brisbane, Adelaide and Perth to Hutchison, complementing the Company's existing 850MHz spectrum in Sydney and Melbourne, giving **3** a national 850MHz spectrum footprint.

"3 is performing strongly and we remain focused on growing 3's leadership position through continued innovation, service and pricing. Our commitment to exit this year with positive operating cash flow remains firm," said Mr Dews.

In addition to delivering a great new range of leading handsets from Nokia, Sony Ericsson, HTC and LG, new services like X-Series, and competitive Mobile Broadband and voice pricing, **3** will also provide service levels never before experienced in Australia through a network of new, dedicated '3 Service' centres. Located in Sydney, Melbourne, Brisbane, Perth and Adelaide, 3 Service will provide customers with unique levels of 'while you wait' handset repair and other services, with industry leading repair turnaround times.

Financial and operating highlights include:

- Customer base increased by 160,000 active net additions in first half
- 1.4 million active **3** customers, an increase of 35% from the first half 2006
- 93% of the net adds were post paid, and at the end of June 89% of the base was post paid
- 50% increase in **3** service revenue at $541.4 million
- **3** non-voice revenue at $138.7 million, an increase of 74.7% on the first half of 2006
- Average monthly margin for **3** increased to $69.0 million in first half 2007 from $44.9 million in first half of 2006
- $31.4 million positive EBITDA, an increase of $28.4 million from first half 2006
- 62% improvement in NPAT loss at $197.3 million
- Total ARPU for **3** was $69
- Average monthly margin per customer was $52

Non-voice service usage highlights include:

- More than 57 million content events were experienced during the first half
- Over 1 million customers on average accessed Planet 3 each month
- 82,000 subscriptions to Broadband services (inc X-Series, Mobile Broadband card & USB and handset as a modem)
- More than 112,000 subscriptions to individual X-Series services
- An average of 635,000 customers generated at least one billed content event each month

- Ends -

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