

Companies Announcements Office

Australian Securities Exchange

Date 4 August 2010

**Subject: Half Year Results Media Release**

Please find attached the Media Release relating to the Company's results for the half year to 30 June 2010.

Yours faithfully



Louise Sexton  
Company Secretary

## **Media Release**

### **Hutchison reports profit from VHA performance**

- HTA profit of \$17.9 million -**
- VHA adds 539,000 customers -**
- Customers using 3G services more than doubled to 2.3 million-**
- 43% revenue growth in non-voice services -**

**Sydney 4 August 2010:** Hutchison Telecommunications (Australia) Limited (ASX: HTA) today announced a \$17.9 million profit for the first six months of 2010, based on the performance of Vodafone Hutchison Australia (VHA).

Hutchison Telecom's share of VHA's EBITDA was \$222.7 million, up 127.0% year on year. HTA's share of VHA's service revenue grew by 24.1% year-on-year to \$1.071 billion, and full year operating margin was up 36.0% to \$828.1 million.

VHA now has 7.43 million customers, with 539,000 added in the first half of 2010. VHA's market-leading offers have attracted 1.1 million customers since the merger completed in June 2009. VHA continues to deliver strong growth with postpaid customers now representing 58.0% of the base. Postpaid handset customer churn remains low at 1.3%.

With customer appetite for data continuing to grow, customers using 3G services including mobile broadband and data on their mobile has more than doubled to almost 2.3 million customers. Data and non-voice service revenue increased 42.7% to \$432.3 million and now represents 39.4% of VHA's Average monthly Revenue Per User (ARPU).

Canning Fok, Chairman of HTA, said: "HTA is pleased with VHA's performance. Customer growth has continued while the company has made good progress on integrating Vodafone and 3."

Operating expenditure per customer has reduced to \$181 for the first half of 2010 compared to \$218 in the first half of 2009. Operating expenditure as a percentage of service revenue is now 4.1% lower year-on-year.

“In the first year of our merger we are on track to deliver the cost-savings we identified, as well as beginning to deliver new benefits to our customers including free calls between our networks for Vodafone and 3 postpaid customers” said Nigel Dews, CEO VHA. “Our teams have put in a tremendous effort and I am very proud of their performance which is reflected in our results.”

“While competition is likely to continue to intensify we remain committed to being the value leader for our customers, despite recent moves by competitors to play more aggressively in this space. Our brands clearly stand for the best value in the market and we will maintain this position with a leading range of smartphones and plans,” Dews added.

VHA expects to maintain its free cash-flow positive position, excluding one-off costs associated with the merger.

#### **Financial highlights\*:**

- HTAL profit for the half year was \$17.9 million, compared to an underlying loss of \$35.3 million in the prior period
- HTAL’s share of VHA customer service revenue was \$1.071 billion, up \$207.8 million or 24.1% year on year
- HTAL’s share of VHA full year operating margin increased by 36.0% from \$608.9 million to \$828.1 million.
- HTAL’s share of VHA EBITDA for the half year was \$222.7 million, an increase of 127.0%.

#### **Operating highlights (as at 30 June 2010):**

- 7,434,000 customers, net addition of 539,000 customers
  - 58.0% of the base postpaid
  - 1.1 million customers acquired since the merger
- 2.3 million customers using 3G services via a mobile broadband device or on handset
- Revenue from non-voice services increased 42.7% to \$432.3 million
- Postpaid handset churn remains low at 1.3%
- Average acquisition cost per new customer is \$155, down from \$193 year on year

\* Unless otherwise stated, all % and \$ increases are on the prior corresponding period, HTAL half year 2009. Comparative figures are as previously reported being 5 months of the former H3GA ‘3’ business and 1 month of the 50% share of VHA attributable to HTAL.

**HTAL Share** = 50% of VHA result

- Ends -

**Notes to Editors**

VHA is a 50:50 joint venture between Hutchison Telecoms and Vodafone Group Plc and operates Vodafone, 3 and Crazy John's in Australia.

For further details of the financial results for HTA please visit [www.hutchison.com.au](http://www.hutchison.com.au) and see the Company's results as released to the ASX.

**For more information, contact:**

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