Hutchison Telecoms

Hutchison Telecommunications (Australia) Limited
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ASX Market Announcements

Australian Securities Exchange

Date: 23 July 2012

Subject: Half Year Results

Please find attached the Company's results for the half year to 30 June 2012 in the form of Appendix 4D.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited

ASX HALF YEAR INFORMATION

30 June 2012

Hutchison Telecommunications (Australia) Limited

ABN 15 003 677 227

ASX Half Year Information

30 June 2012

Contents

Lodged with the ASX under Listing Rule 4.3A.

This preliminary 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 2011 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 2012
(Previous corresponding period: Half year ended 30 June 2011)

Results for announcement to the Market

Hutchison Telecommunications (Australia) Limited ("HTAL") reports a $131.3 million loss for the half-year ended 30 June 2012, compared with a loss of $78.2 million in the corresponding period last year. HTAL's share of Vodafone Hutchison Australia Pty Limited's ("VHA") net loss included in HTAL's results for the period was $138.0 million for the half-year ended 30 June 2012 compared with a net loss of $78.8 million in the corresponding period last year.

HTAL's revenue from ordinary activities represents interest income received on loans to VHA. HTAL's revenue from ordinary activities for the half-year ended 30 June 2012 increased from $3.4 million in the corresponding period last year to $8.6 million.

			$ '000
Revenue from ordinary activities *(Appendix 4D 2.1)*	↑	151.8%	8,597
Loss from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)*	↑	68.0%	(131,337)
Net loss for the period attributable to members *(Appendix 4D item 2.3)*	↑	68.0%	(131,337)

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 dividend *(Appendix 4D item 2.5)*	**n/a**

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 2012.

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 Limited ("VHA") using the equity method of accounting. Under this method, revenue from VHA's ordinary activities is not included in HTAL's consolidated revenues from ordinary activities.

HTAL reports a $131.3 million loss for the half-year ended 30 June 2012, compared with a loss of $78.2 million in the corresponding period last year. The VHA results (including revenue and operating costs) are included in the "share of net losses of joint ventures accounted for using the equity method" in HTAL's Consolidated statement of comprehensive income.

HTAL's revenue from ordinary activities represents interest income received on loans to VHA. HTAL's revenue from ordinary activities for the half-year ended 30 June 2012 increased 151.8% to $8.6 million.

No dividend was declared or paid by HTAL during the half-year.

Review of VHA's operating and financial performance attributable to HTAL

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 financial summary

For the six months ended 30 June 2012, VHA continued to make progress expanding and upgrading the Vodafone network, including the expansion of its transmission capacity. However, challenging operating and market conditions continued and although these investments are expected to underpin a turnaround in VHA's performance, operating and financial results continued to deteriorate in the first half of 2012.

For the six months ended 30 June 2012, VHA's total customer base declined 178,000 to 6.8 million (including MVNOs). The overall rate of decline was flat when compared with the second-half of 2011, and reduced by more than half when compared to the prior corresponding period.

Average revenue per user (ARPU) declined 6.7% year-on-year to $49.31 reflecting competitive pressures.

HTAL's share of VHA's operating expenditure, including customer acquisition costs, reduced year-on-year.

The decline in the VHA customer base and revenues, together with the ongoing investment in the network has resulted in the following movements in HTAL's share of VHA's key financial metrics for the half-year ended 30 June 2012, with:

- customer service revenue decreasing 15.8% year-on-year to $874.9 million;
- earnings before interest, tax, depreciation and amortisation (EBITDA) decreasing 20.5% year-on-year to $112.0 million; and
- capital expenditure increasing 22.4% year-on-year to $198.4 million.

On an underlying basis, after excluding the impact of the 3 cent (from 9c to 6c) reduction in the mobile termination rates (MTR) from 1 January, HTAL's share of VHA's customer service revenue decreased 11.9% and HTAL's share of VHA's EBITDA decreased 13.2%[1].

[1] Non-AIFRS disclosure under RG230

VHA half-year operating summary

Network

VHA continued to make progress in improving the network performance, speed, capacity and coverage.

The initial phase of the 3G 850MHz network roll-out and equipment replacement program is nearing completion and has delivered an improvement in the network reliability and resilience.

Customers are experiencing these improvements with better call quality and continuity of data sessions for smartphones, tablets and mobile broadband. This has been enhanced by the installation of new transmission equipment and the upgrade of connections with new Internet Protocol (IP) technology to provide faster network speeds and reliability.

VHA has also commenced the integration of sites from the 3GIS joint venture into the Vodafone network. The majority of these sites will be in metro areas and help further improve the network experience by increasing the depth and capacity of the Vodafone network.

VHA has spent the last year laying the foundations for the introduction of higher speed capabilities planned on Vodafone's upcoming 3G+ and 4G/LTE networks. From September 2012, VHA will start rolling out the new Vodafone 3G+ network in selected metro areas, designed to deliver faster download speeds of up to eight times faster than the existing 3G network average download speeds of 1 megabit per second (Mbps). The speeds will increase again in 2013, when VHA introduce even faster download speeds in selected areas on the new Vodafone 4G/LTE network.

Customer service

As a result of this ongoing focus on customer service and with the introduction of a range of new innovations to help improve customer interaction, VHA's customer care metrics are showing an improving trend with Telecommunications Industry Ombudsman (TIO) complaints down one-third year-on-year, three-quarters of customers now having their issues resolved on first contact and call volumes down by 9%.

The improvement in customer service contributed to a declining trend in monthly postpaid handset churn in the first half of the year.

VHA has been actively involved through Communications Alliance in the development of the revised Telecommunications Consumer Protection (TCP) Code and will be implementing the new requirements of the Code over the coming months.

Organisation

During the half-year, VHA welcomed Bill Morrow as its new CEO. Bill is an experienced telecommunications executive with over 30 years experience in the industry and will lead VHA through the next phase of its development and evolution.

VHA also undertook an organisational restructure to better align functions with its customers. This included the creation of dedicated consumer and business units, responsible for marketing and sales across these unique business segments.

VHA outlook

Despite significant network improvements and other operational improvements, challenging market conditions and continuing poor public perception of VHA have led to a continuing deterioration in the operating and financial performance in the first half of 2012. Although the new management team is committed to achieving improvement, an increased loss, including the costs of restructuring activities, is now expected for the second half of the year.

Since the accelerated network investment started early last year, more than 1,175 3G 850MHz sites are now live across the Vodafone network and a further 325 will go live over the coming months. In conjunction with the 3G 850MHz roll-out, 6,400 sites have been upgraded to a single radio access network (RAN) technology. VHA will finish this equipment replacement over the coming months.

VHA will further expand its network capacity, coverage, speed and performance with the addition of 1,800 new base stations across the network.

This ongoing investment will help improve the network experience for customers and meet the rising demand for data and applications.

Through the support and confidence of its shareholders and financial partners, VHA has the financial flexibility to fund its business plans and ongoing working capital requirements.

HTAL is committed to its investment in VHA, and despite the operating challenges currently facing VHA, believe the strategy being implemented will return VHA to growth in the future. However, the next 12 months are expected to remain challenging.

The remainder of 2012 will be focussed on rebuilding confidence in both the network and brand, reducing churn and completing the reorganisation of the company structure and processes following a comprehensive review of operations during the first half of 2012 to give VHA the foundation and flexibility to compete effectively in the highly competitive mobile market in Australia.

VHA financial and operating metrics[4]

Note - the items in the table below represent the 50% share of VHA attributable to HTAL, unless otherwise stated

	Half–year ended		
	June 2012	June 2011	YoY change
Total revenue ($ m)	1,034.8	1,137.6	(9.0%)
Service revenue ($ m)	874.9	1,038.5	(15.8%)
EBITDAR ($ m)	135.7	148.5	(8.6%)
EBITDA ($ m)	112.0	140.8	(20.5%)
Capital expenditure ($ m)	198.4	162.1	22.4%
The items below represent totals for VHA			
Capital expenditure as a % of service revenue	22.7%	15.6%	7.1pp
Customer acquisition cost per unit	$109	$144	24.3%
Mobile customers ('000)	6,844	7,201	(5.0%)
Customer movement ('000)	(178)	(375)	52.5%
Postpaid % (excl MVNO)	63.7%	61.4%	2.3pp
Prepaid % (excl MVNO)	36.3%	38.6%	(2.3pp)
ARPU	$49.31	$52.87	(6.7%)
ARPU voice	$27.98	$31.70	(11.7%)
ARPU non-voice	$21.33	$21.17	0.8%

[4] **Service revenue** excludes revenue related to the sale of handsets and mobile broadband devices.
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. Non-AIFRS disclosure under RG230.
Capital expenditure includes the share of capital expenditure in VHA and VHA's share of capital expenditure in its jointly controlled entities.
Customer acquisition cost per unit represents the average direct costs of acquiring each new customer for the period.
Postpaid and prepaid % bases exclude MVNO customers.
ARPU is 12 months rolling and excludes ARPUs from MVNOs.
pp = percentage points.

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 10.

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

23 July 2012

Director

23 July 2012

Deloitte.

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

23 July 2012

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 2012, 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 2012

	June 2012 $'000	June 2011 $'000
Revenue	**8,597**	3,414
Advertising and promotion expenses	**(78)**	(148)
Other operating expenses	**(854)**	(67)
Finance costs	**(93)**	(75)
Share of net losses of joint ventures accounted for using the equity method	**(137,967)**	(78,750)
Loss before income tax	**(130,395)**	(75,626)
Income tax expense	**(942)**	(2,546)
Loss for the period	**(131,337)**	(78,172)
Other comprehensive loss		
Changes in the fair value of cash flow hedges (share of joint venture), net of tax	**(833)**	(5,429)
Other comprehensive loss for the period, net of tax	**(833)**	(5,429)
Total comprehensive loss for the period attributable to members of Hutchison Telecommunications (Australia) Limited	**(132,170)**	(83,601)
	Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company		
Basic earnings per share	**(0.97)**	(0.58)
Diluted earnings per share	**(0.97)**	(0.58)

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 2012

	June 2012 $'000	Dec 2011 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	**16,796**	11,578
Other	**157**	157
Total Current Assets	**16,953**	11,735
Non-Current Assets		
Other financial assets	**235,494**	232,342
Investment accounted for using the equity method	**1,274,745**	1,413,545
Deferred tax assets	**5,855**	6,797
Total Non-Current Assets	**1,516,094**	1,652,684
Total Assets	**1,533,047**	1,664,419
LIABILITIES		
Current Liabilities		
Payables	**24,010**	23,212
Other financial liabilities	**367,838**	367,838
Total Current Liabilities	**391,848**	391,050
Total Liabilities	**391,848**	391,050
Net Assets	**1,141,199**	1,273,369
EQUITY		
Contributed equity	**4,204,488**	4,204,488
Reserves	**62,140**	62,973
Accumulated losses	**(3,125,429)**	(2,994,092)
Total Equity	**1,141,199**	1,273,369

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 2012

	Attributable to members of Hutchison Telecommunications (Australia) Limited					
		Reserves				
	Contributed equity	Capital Redemption	Cash flow hedges	Share-based payments	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
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)
Share of joint venture's changes in the fair value of cash flow hedges, net of tax	-	-	(5,429)	-	-	(5,429)
Total comprehensive loss 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**
Balance at 1 January 2012	**4,204,488**	**54,887**	**(7,794)**	**15,880**	**(2,994,092)**	**1,273,369**
Loss for the period	-	-	-	-	(131,337)	(131,337)
Share of joint venture's changes in the fair value of cash flow hedges, net of tax	-	-	(833)	-	-	(833)
Total comprehensive loss for the period	**-**	**-**	**(833)**	-	**(131,337)**	**(132,170)**
Transactions with members in their capacity as members:						
Employee share options - value of employee services	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2012	**4,204,488**	**54,887**	**(8,627)**	**15,880**	**(3,125,429)**	**1,141,199**

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 2012

	June 2012 $'000	June 2011 $'000
Cash Flows from Operating Activities		
Payments to suppliers and employees (inclusive of GST)	**(627)**	(840)
Interest received	**5,445**	218
Finance costs paid	**(63)**	(62)
Net cash inflows / (outflows) from operating activities	**4,755**	(684)
Cash Flows from Investing Activities		
Loans to jointly controlled entities	**-**	(100,000)
Proceeds of loan from jointly controlled entities	**463**	529
Net cash inflows / (outflows) from investing activities	**463**	(99,471)
Cash Flows from Financing Activities		
Proceeds from borrowings – entity within the HWL Group	**-**	100,000
Net cash inflows from financing activities	**-**	100,000
Net increase / (decrease) in cash and cash equivalents	**5,218**	(155)
Cash and cash equivalents at 1 January	**11,578**	5,317
Cash and cash equivalents at 30 June	**16,796**	5,162

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

Basis of preparation of half-year report

This general purpose financial report for the interim half year reporting period ended 30 June 2012 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 2011 and any public announcements made by Hutchison Telecommunications (Australia) Limited ("the Company" or "HTAL"), 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.

Going concern disclosures

As at 30 June 2012, the Consolidated Entity has a deficiency of net current assets of $375 million (31 December 2011: $379 million). Included in the Consolidated Entity's current liabilities is an amount of $368 million (31 December 2011: $368 million) which relates to an interest free financing facility provided from the ultimate parent entity, Hutchison Whampoa Limited ("HWL"), which is repayable on demand. The Consolidated Entity has unused financing facilities of $1,232 million at 30 June 2012. 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 the date of signing this financial report. Consequently, the directors have prepared the financial report on a going concern basis.

Principles of consolidation

The consolidated interim financial report includes the financial statements of Hutchison Telecommunications (Australia) Limited and its subsidiaries ("Consolidated Entity") made up to 30 June 2012.

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 benefits 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 purchase method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity.

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 reports for like transactions and events in similar circumstances, appropriate adjustments are made to its financial reports in preparing the consolidated financial reports.

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 reports 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 reports 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.

Rounding of amounts to nearest thousand dollars

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 2012. The adoption of these standards, amendments and interpretations has not resulted in substantial changes to the Consolidated Entity's accounting policies.

2 Operating segment

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

In 2012, 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 2012 $m**	**June 2011 $m**
Total Revenue	**1,035**	1,138
EBITDA	**112**	141

3 Events occurring after the reporting date

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 11 to 17 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 2012 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

23 July 2012

Director

23 July 2012

Hutchison Telecommunications (Australia) Limited
Supplementary Appendix 4D information

NTA Backing *(Appendix 4D item 3)*

	June 2012	June 2011
Net tangible asset backing per ordinary share	**$0.08**	$0.10

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

Additional dividend/distribution information *(Appendix 4D item 5)*
N/A

Dividend/distribution reinvestment plan *(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 ("H3GAH"), is accounted for in the consolidated financial reports using the equity method.

The aggregate share of losses from VHA for the half year ended 30 June 2012 is $137,967,000 (2011: $78,750,000).

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

	June 2012 $'000	June 2011 $'000
Interest in a jointly controlled entity	**1,274,745**	1,516,782
Share of the jointly controlled entity's assets and liabilities under jointly controlled entity's accounting policies		
Current assets	**538,961**	479,919
Non-current assets^	**3,085,542**	3,075,401
Total assets	**3,624,503**	3,555,320
Current liabilities	**1,617,160**	712,728
Non-current liabilities	**1,018,561**	1,560,822
Total liabilities	**2,635,721**	2,273,550
Net assets	**988,782**	1,281,770

^ HTAL's share of VHA's non-current assets under HTAL accounting policies is $3,254 million at 30 June 2012 (30 June 2011 : $3,200 million). The differences in accounting policies are primarily related to difference in the economic useful lives of property, plant and equipment.

The carrying value of HTAL's investment in VHA is predicated on the ongoing financial support from both of VHA's shareholders. At 30 June 2012, VHA has $1,600 million in borrowings repayable in June 2013, which has been classified within current liabilities. This results in HTAL's share of VHA's net current asset deficiency being $1,078 million (30 June 2011: 233 million). One of VHA's ultimate shareholders, Hutchison Whampoa Limited, and one of its direct shareholders, Vodafone Oceania Limited, have confirmed their current intention to jointly provide financial support to enable VHA to meet its financial obligations as and when they fall due. This undertaking is provided for a minimum period of twelve months from 23 July 2012.

Share of the jointly controlled entity's revenue, expenses and results		
Revenues	**1,034,752**	1,137,611
Expenses	**(1,172,719)**	(1,216,361)
Loss for the period	**(137,967)**	(78,750)
Reconciliation of interest in a jointly controlled entity		
Investment brought forward at 1 January	**1,413,545**	1,600,961
Loss for the period	**(137,967)**	(78,750)
Share of changes in fair value of cash flow hedges, net of tax	**(833)**	(5,429)
Interest in jointly controlled entity at 30 June	**1,274,745**	1,516,782

Foreign Accounting standards *(Appendix 4D item 8)*

For foreign entities only, details of the accounting standards used in compiling the report e.g. International Accounting Standards

N/A

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 auditor's review report is attached.

6 The entity has a formally constituted audit committee.

Sign here: .... Date: 23 July 2012
(Director)

Print name:

Sign here: .... Date: 23 July 2012
(Director)

Print name

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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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 2012, 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 11 to 20.

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 2012, 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. 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.

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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 2012 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, 23 July 2012