**Hutchison Telecommunications (Australia) Limited**
ABN 15 003 677 227
Level 7, 40 Mount Street
North Sydney, NSW 2060
Tel: (02) 8579 8888
Fax: (02) 8904 0457
www.hutchison.com.au

ASX Market Announcements

Australian Securities Exchange

Date: 19 July 2013

**Subject: Half Year Results**

Please find attached the Company's results for the half year to 30 June 2013 in the form of Appendix 4D.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited

ASX HALF YEAR INFORMATION

30 June 2013

Hutchison Telecommunications (Australia) Limited

ABN 15 003 677 227

ASX Half Year Information

30 June 2013

**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 2012 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 2013**
**(Previous corresponding period: Half year ended 30 June 2012)**

## Results for announcement to the Market

Hutchison Telecommunications (Australia) Limited ("HTAL") reports a $95.8 million loss for the half-year ended 30 June 2013, compared with a loss of $131.3 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 $109.1 million for the half-year ended 30 June 2013 compared with a net loss of $138.0 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 2013 increased from $8.6 million in the corresponding period last year to $15.2 million as a result of increased shareholder loans provided to VHA.

| | | | **$ '000** |
|---|---|---|---|
| **Revenue** from ordinary activities *(Appendix 4D 2.1)* | up | 77.3% | 15,244 |
| **Loss** from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)* | down | 27.1% | (95,795) |
| **Net loss** for the period attributable to members *(Appendix 4D item 2.3)* | down | 27.1% | (95,795) |

| **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** | **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 2013.

### 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

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 $95.8 million loss for the half-year ended 30 June 2013, compared with a loss of $131.3 million in the corresponding period last year, a 27.1% improvement. 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 condensed consolidated statement of profit or loss and other 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 2013 increased 77.3% to $15.2 million as a result of increased shareholder loans provided to VHA.

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

## VHA performance

*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.*

Towards the end of 2012, with the full support of both of its shareholders and under the leadership of a new CEO, VHA devised a turnaround strategy to resolve the impact of network and customer service issues that have challenged VHA's brand reputation and performance in the past few years. The telecommunications industry is fast-paced with the needs and expectations of customers constantly changing. The key focus of VHA's turnaround strategy is to listen to its customers and deliver the service they expect and deserve. As the ever increasing use of data services drove a different demand on network, VHA accelerated its investment in building and upgrading the Vodafone network.

In the past six months VHA achieved progress against its turnaround strategy including the following initiatives:

- VHA has nearly completed the integration and consolidation of the business and brands in market. The Crazy John stores were closed in February and customers are being migrated onto Vodafone plans while the **3** brand will be closed in August;
- VHA has introduced industry-leading customer-centric pricing for data;
- VHA announced it would on-shore its customer facing call centre operations back to Australia, doubling the size of its Tasmanian operations;
- VHA announced the launch of its fast wide-band 4G network and plans to treble the network by end of 2013;
- VHA has significantly expanded regional coverage with 1,200 new sites, spanning thousands of square kilometres across Australia, made available to its customers and has introduced High Definition voice capability on its network.

These initiatives have been supported by the ongoing focus on lowering VHA's cost structure which, since the first half of 2012, has included nearly halving the number of non-customer facing staff and reducing operational expenditures such as high-profile sponsorships to direct investment to network and front-line services.

As a result of these activities, VHA's brand perception is expected to recover partially in 2013. However, the full impact of existing and upcoming changes for customers will not be seen in VHA's results until next year, and the continued decline in the customer base has been factored into the Company forecasts on which the turnaround plan is based.

For the six months ended 30 June 2013, VHA's total customer base[1] declined 551,000 to 6,028 million (including MVNOs). The decline in the VHA customer base has resulted in HTAL's share of VHA's customer service revenue decreasing 14.3% year-on-year to $749.4 million.

HTAL's share of VHA's operating expenditure, including customer acquisition costs, reduced by 27.1% compared to the corresponding period last year.

Earnings before interest, tax, depreciation and amortisation ("EBITDA")[2] improved 68.9% year-on-year to $189.2 million as the results for the prior corresponding period included the restructure costs incurred by VHA in the first half of 2012.

In June 2013, with the support of both its ultimate shareholders, Hutchison Whampoa Limited and Vodafone Group Plc, VHA refinanced with a two-year US$3.5 billion loan that enabled VHA to repay $1,427 million on maturity of a facility entered into in 2010 and substantially all shareholders' loans. VHA's business plan, including the network investment, is fully funded.

---

[1] Customers reflect VHA's active customers in operation at the end of the reporting period – including wholesale customers (Mobile Virtual Network Operators or "MVNOs").

[2] **EBITDA** represents 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. (Non-AIFRS disclosure under RG230)

**Outlook**

Although VHA's financial results show continued decline, HTAL is confident that the strategic initiatives commenced in 2012 will enable VHA to transform its business. VHA will continue its momentum to:

- provide a fast reliable network;
- offer worry free products and services; and
- provide a competitive experience across each customer touch point.

The creation of a single network under the global Vodafone brand is another initiative to enable a more consistent customer experience with lower costs, following the closure of the **3** and Crazy John brands.

HTAL is confident that VHA is making progress in achieving its turnaround but growth in customer base and revenue is not expected to be realised during 2013. VHA will continue to focus on implementing its turnaround plan with support from its shareholders but until the momentum from improvements in brand perception takes effect, the net customer loss and increased investment to drive growth will impact financial performance.

HTAL is committed to its investment in VHA, and despite the challenges facing VHA, continues to support the strategy to return VHA to growth and profitability in the future. Although continuing losses are anticipated in 2013, HTAL expects improvements in VHA's operating performance through the remainder of the year and into 2014.

## VHA financial and operating metrics

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

| | Half–year ended | | |
|---|---|---|---|
| | June 2013 | June 2012 | YoY change |
| Total revenue ($ m) | 871.9 | 1,034.8 | (15.7%) |
| Service revenue[3] ($ m) | 749.4 | 874.9 | (14.3%) |
| EBITDA ($ m) | 189.2 | 112.0 | 68.9% |
| Share of Net loss of VHA ($m) | (109.1) | (138.0) | 20.9% |
| The items below represent totals for VHA | | | |
| Mobile customers ('000) | 6,028 | 6,844 | (11.9%) |
| Customer movement ('000) | (551) | (178) | |
| Postpaid %[4] (excl MVNO) | 63.5% | 63.7% | (0.2pp) |
| Prepaid %[5] (excl MVNO) | 36.5% | 36.3% | 0.2pp |

[3] **Service revenue** excludes revenue related to the sale of handsets and mobile broadband devices.

[4] **Postpaid %** bases exclude MVNO customers. pp represents percentage points.

[5] **Prepaid %** bases exclude MVNO customers. pp represents 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 8.

## 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, in accordance with section 306(3) of the *Corporations Act 2001*.

Director

19 July 2013

Director

19 July 2013

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

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

19 July 2013

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 2013, 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

S P Chadha

Sandeep Chadha
Partner
Chartered Accountants

## Hutchison Telecommunications (Australia) Limited
## Condensed consolidated statement of profit or loss and other comprehensive income
## For the half year ended 30 June 2013

| | June 2013 $'000 | June 2012 $'000 |
|---|---|---|
| **Revenue** | **15,244** | 8,597 |
| Advertising and promotion expenses | **(52)** | (78) |
| Other operating expenses | **(589)** | (854) |
| Finance costs | **(14)** | (93) |
| Share of net losses of joint ventures accounted for using the equity method | **(109,149)** | (137,967) |
| **Loss before income tax** | **(94,560)** | (130,395) |
| Income tax expense | **(1,235)** | (942) |
| **Loss for the period** | **(95,795)** | (131,337) |
| **Other comprehensive loss** | | |
| Items that may be reclassified subsequently to profit or loss: Changes in the fair value of cash flow hedges (share of joint venture), net of tax | **4,079** | (833) |
| **Other comprehensive loss for the period, net of tax** | **4,079** | (833) |
| **Total comprehensive loss for the period attributable to members of Hutchison Telecommunications (Australia) Limited** | **(91,716)** | (132,170) |
| | **Cents** | Cents |
| **Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company** | | |
| Basic earnings per share | **(0.71)** | (0.97) |
| Diluted earnings per share | **(0.71)** | (0.97) |

*The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

## Hutchison Telecommunications (Australia) Limited
## Condensed consolidated statement of financial position
## As at 30 June 2013

| | June 2013 $'000 | Dec 2012 $'000 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | **3,014** | 10,891 |
| Other | **157** | 157 |
| Total Current Assets | **3,171** | 11,048 |
| | | |
| **Non-Current Assets** | | |
| Other financial assets | **9,682** | 465,347 |
| Investment accounted for using the equity method | **904,193** | 1,009,263 |
| Deferred tax assets | **3,084** | 4,318 |
| Total Non-Current Assets | **916,959** | 1,478,928 |
| **Total Assets** | **920,130** | 1,489,976 |
| | | |
| **LIABILITIES** | | |
| **Current Liabilities** | | |
| Payables | **23,379** | 22,783 |
| Other financial liabilities | **104,112** | 582,838 |
| Total Current Liabilities | **127,491** | 605,621 |
| **Total Liabilities** | **127,491** | 605,621 |
| **Net Assets** | **792,639** | 884,355 |
| | | |
| **EQUITY** | | |
| Contributed equity | **4,204,488** | 4,204,488 |
| Reserves | **71,545** | 67,466 |
| Accumulated losses | **(3,483,394)** | (3,387,599) |
| **Total Equity** | **792,639** | 884,355 |

*The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.*

# Hutchison Telecommunications (Australia) Limited
# Condensed consolidated statement of changes in equity
# For the half year ended 30 June 2013

| | 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 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** |
| **Balance at 1 January 2013** | **4,204,488** | **54,887** | **(3,301)** | **15,880** | **(3,387,599)** | **884,355** |
| Loss for the period | - | - | - | - | (95,795) | (95,795) |
| Share of joint venture's changes in the fair value of cash flow hedges, net of tax | - | - | 4,079 | - | - | 4,079 |
| **Total comprehensive loss for the period** | **-** | **-** | **4,079** | - | **(95,795)** | **(91,716)** |
| Transactions with members in their capacity as members: | | | | | | |
| Employee share options - value of employee services | - | - | - | - | - | - |
| **Subtotal** | **-** | **-** | | **-** | **-** | **-** |
| **Balance at 30 June 2013** | **4,204,488** | **54,887** | **778** | **15,880** | **(3,483,394)** | **792,639** |

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

## Hutchison Telecommunications (Australia) Limited
## Condensed consolidated statement of cash flows
## For the half year ended 30 June 2013

| | June 2013 $'000 | June 2012 $'000 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Payments to suppliers and employees (inclusive of GST) | **(38)** | (627) |
| Interest received | **2,161** | 5,445 |
| Finance costs paid | **-** | (63) |
| **Net cash inflows from operating activities** | **2,123** | 4,755 |
| **Cash Flows from Investing Activities** | | |
| Loans to joint ventures | **(415,715)** | - |
| Repayment of loan from joint ventures | **884,441** | 463 |
| **Net cash inflows from investing activities** | **468,726** | 463 |
| **Cash Flows from Financing Activities** | | |
| Proceeds from borrowings – entity within the HWL Group | **330,715** | - |
| Repayment of borrowings – entity within the HWL Group | **(809,441)** | - |
| **Net cash outflows from financing activities** | **(478,726)** | - |
| **Net (decrease) / increase in cash and cash equivalents** | **(7,877)** | 5,218 |
| Cash and cash equivalents at 1 January | **10,891** | 11,578 |
| **Cash and cash equivalents at 30 June** | **3,014** | 16,796 |

*The above condensed 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 2013 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 2012 and any public announcements made by Hutchison Telecommunications (Australia) Limited ("Consolidated Entity" 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.

For the purposes of preparing the financial statements, the Consolidated Entity is a for-profit entity.

### Going concern disclosures

As at 30 June 2013, the Consolidated Entity has a deficiency of net current assets of $124 million (31 December 2012: $595 million). Included in the Consolidated Entity's current liabilities is an amount of $104 million (31 December 2012: $583 million) which relates to an interest free financing facility provided from a fellow subsidiary of the ultimate parent entity, Hutchison Whampoa Limited ("HWL"), which is repayable on demand. The Consolidated Entity has unused financing facilities of $1,496 million at 30 June 2013. 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 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 statements include the financial statements of Hutchison Telecommunications (Australia) Limited and its subsidiaries made up to 30 June 2013.

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

**Joint arrangements**

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

*(i) Joint venture*

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Consolidated Entity's interest in the joint venture is accounted for in the consolidated financial report 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.

To comply with the requirements of AASB 11 *Joint Arrangements*, the Consolidated Entity re-evaluated its involvement in its only joint arrangement and has classified the joint arrangement as a joint venture. The investment continues to be accounted for using the equity method; accordingly there has been no impact on the recognised assets, liabilities and comprehensive income of the Consolidated Entity.

*(ii) Joint operation*

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The proportionate interests in the assets, liabilities, income and expenses of a joint operation have been incorporated in the financial report 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 1 January 2013. The adoption of these standards, amendments and interpretations has not resulted in substantial changes to the Consolidated Entity's accounting policies.

However, the application of AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* ("AASB 2011-9") has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101 *Presentation of Financial Statements* ("AASB 101"), the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

## 2 Operating segment

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

In 2013, 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 2013 $m** | **June 2012 $m** |
|---|---|---|
| Total Revenue | **872** | 1,035 |
| EBITDA | **189** | 112 |

## 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 9 to 15 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 2013 and of its performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that Hutchison Telecommunications (Australia) Limited 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

19 July 2013

Director

19 July 2013

## Hutchison Telecommunications (Australia) Limited
## Supplementary Appendix 4D information

**NTA Backing** *(Appendix 4D item 3)*

| | June 2013 | June 2012 |
|---|---|---|
| Net tangible asset backing per ordinary share | **$0.06** | $0.08 |

**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)*

**Joint venture**
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 2013 is $109,149,000 (2012: $137,967,000).

Information relating to the joint venture is set-out below:

| | June 2013 $'000 | June 2012 $'000 |
|---|---|---|
| **Interest in a joint venture** | **904,193** | 1,274,745 |
| **Share of the joint venture's assets and liabilities under joint venture's accounting policies** | | |
| Current assets | **935,581** | 538,961 |
| Non-current assets[6] | **3,297,443** | 3,085,542 |
| **Total assets** | **4,233,024** | 3,624,503 |
| Current liabilities | **788,819** | 1,617,160 |
| Non-current liabilities | **2,862,913** | 1,018,561 |
| **Total liabilities** | **3,651,732** | 2,635,721 |
| **Net assets** | **581,292** | 988,782 |

The carrying value of HTAL's investment in VHA is predicated on the ongoing financial support from both of its shareholders. 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 for a minimum period of twelve months from the date of signing this financial report.

| | June 2013 $'000 | June 2012 $'000 |
|---|---|---|
| **Share of the joint venture's revenue, expenses and results** | | |
| Revenues | **871,908** | 1,034,752 |
| Expenses | **(981,057)** | (1,172,719) |
| **Loss for the period** | **(109,149)** | (137,967) |
| **Reconciliation of interest in a joint venture** | | |
| Investment brought forward at 1 January | **1,009,263** | 1,413,545 |
| Loss for the period | **(109,149)** | (137,967) |
| Share of changes in fair value of cash flow hedges, net of tax | **4,079** | (833) |
| Interest in joint venture at 30 June | **904,193** | 1,274,745 |

**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

**Borrowings**

Towards the end of the half year, the loan from the Consolidated Entity to the joint venture was substantially settled by a combination of cash and promissory notes as described in the condensed consolidated statement of cash flows.

[6] HTAL's share of VHA's non-current assets under HTAL accounting policies is $3,497 million at 30 June 2013 (30 June 2012: $3,254 million). The differences in accounting policies are primarily related to difference in the economic useful lives of property, plant and equipment.

## 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: 19 July 2013
(Director)

Print name: Susan Chow

Sign here: ............................................................ Date: 19 July 2013
(Director)

Print name: Frank Sixt

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

Tel: +61 2 9322 7000
Fax: +612 9322 7001
www.deloitte.com.au

# 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 condensed consolidated statement of financial position as at 30 June 2013, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed 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 9 to 18.

*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 2013, 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.

**Deloitte**

*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 2013 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
Partner
Chartered Accountants
Sydney, 19 July 2013