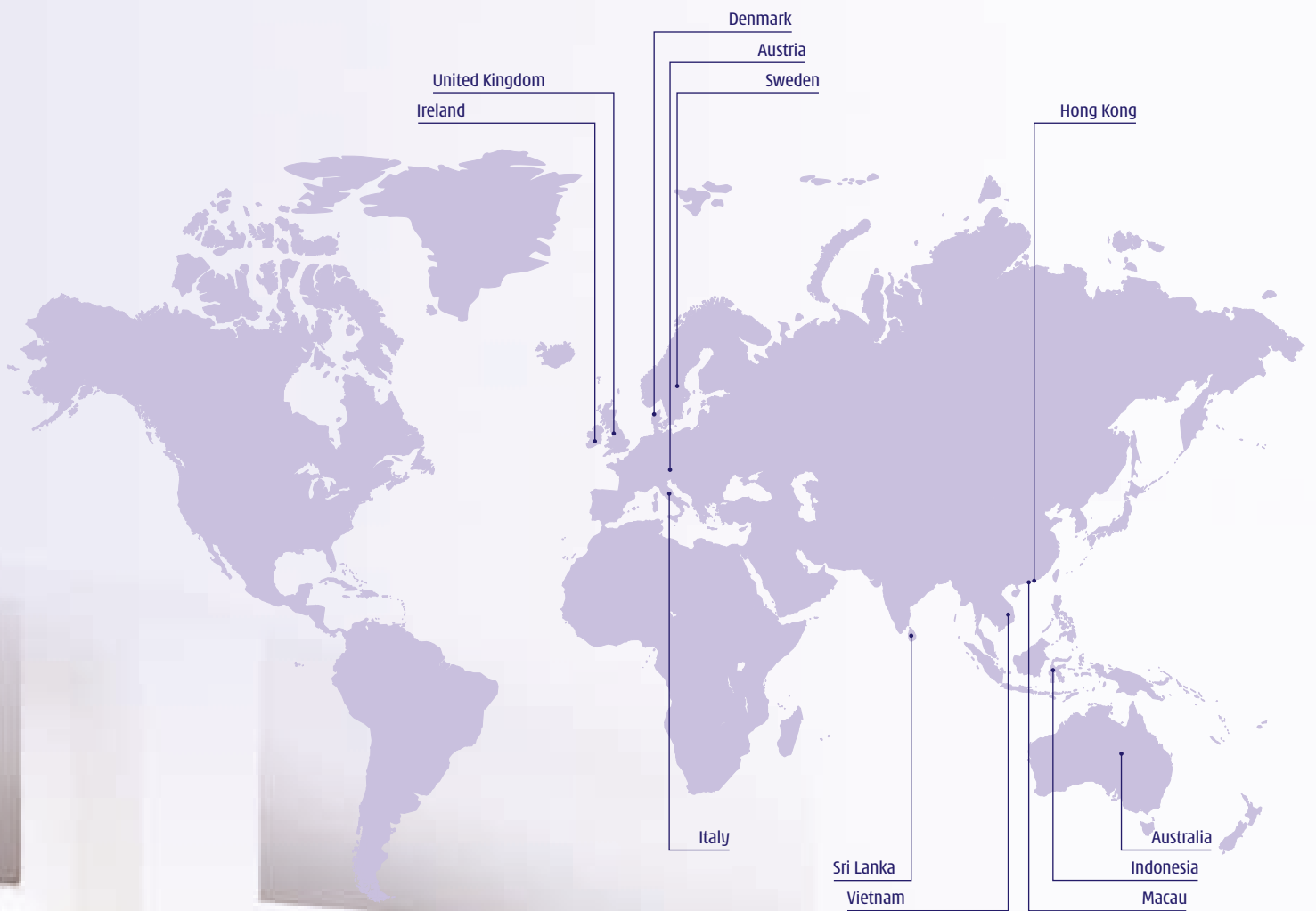


# Telecommunications



3 UK reaches an agreement with Telefónica SA to acquire O<sub>2</sub> UK to provide UK customers with better service and innovation.



Three.





1. **3** Denmark expands 3LikeHome to include the US so their customers can now use their phones with no roaming cost in 28 countries.
2. **3** Austria launches the biggest 4G network in Austria.
3. **3** Macau's 4G network goes live.
4. **3** Hong Kong launches a comprehensive promotional campaign themed "Better Service from 3" to promote the premium digital customer service platforms.
5. **3** Italy announces an agreement to merge with Wind to offer greater 4G coverage and higher speeds.



4



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The Group's telecommunications division consists of the 3 Group businesses in Europe ("3 Group Europe"), a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), which is listed on the SEHK, Hutchison Asia Telecommunications ("HAT"), and an 87.87% interest in the Australian Securities Exchange listed HTAL. 3 Group Europe is a pioneer of high-speed mobile telecommunications and mobile broadband technologies with businesses in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau, as well as fixed-line operations in Hong Kong. HAT holds the Group's interests in the mobile operations in Indonesia, Vietnam and Sri Lanka. HTAL owns a 50% share in VHA.

### Group Performance

#### 3 Group Europe

	2015 <sup>(1)</sup> HK\$ millions	2014 <sup>(1)</sup> HK\$ millions	Change	Change in Local Currency
<b>Total Revenue</b>	<b>62,799</b>	65,623	-4%	+10%
- Net customer service revenue	47,713	49,480	-4%	+11%
- Handset revenue	12,696	14,372	-12%	
- Other revenue	2,390	1,771	+35%	
<b>Net Customer Service Margin <sup>(2)</sup></b>	<b>39,825</b>	39,714	-	+15%
<i>Net customer service margin %</i>	<i>83%</i>	<i>80%</i>		
<b>Other Margin</b>	<b>1,187</b>	1,008	+18%	
Total CACs	(19,169)	(21,514)	+11%	
Less: Handset revenue	12,696	14,372	-12%	
<b>Total CACs (net of handset revenue)</b>	<b>(6,473)</b>	(7,142)	+9%	
<b>Operating Expenses</b>	<b>(17,143)</b>	(17,982)	+5%	
<i>Opex as a % of net customer service margin</i>	<i>43%</i>	<i>45%</i>		
<b>EBITDA</b>	<b>17,396</b>	15,598	+12%	+27%
<i>EBITDA Margin % <sup>(3)</sup></i>	<i>35%</i>	<i>30%</i>		
<b>Depreciation &amp; Amortisation</b>	<b>(5,732)</b>	(8,706)	+34%	
<b>EBIT</b>	<b>11,664</b>	6,892	+69%	+92%
<b>Capex (excluding licence)</b>	<b>(10,930)</b>	(11,271)	+3%	
<b>EBITDA less Capex</b>	<b>6,466</b>	4,327	+49%	
<b>Licence</b>	<b>(2,447)</b>	(38)	-6,339%	

Note 1: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

Note 2: Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs).

Note 3: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

3 Group Europe's registered customer base grew 4% during the year to total approximately 30.6 million at 31 December 2015, while the active base also grew 4% to total over 26.1 million and represented an 85% activity level. The proportion of contract customers as a percentage of the registered customer base remained stable at 58%. The revenue generated by contract customers accounted for approximately 83% of overall net customer service revenue, 1%-point lower than last year due to the increased focus on pre-paid non-contract customers in the UK during the year. Management continues to focus on managing churn and the average monthly customer churn rate of the contract customer base increased only marginally to 1.8% from 1.7% last year.

3 Group Europe's net ARPU increased by 5% to €18.14 compared to 2014, primarily due to a focus on upselling and improved customer propositions across the majority of the operations, partly offset by keen competition in Denmark and the dilutive effect of the higher proportion of non-contract customers in Ireland after the acquisition of O<sub>2</sub> Ireland. This, together with the enlarged customer base, resulted in net customer service revenue increasing 11% in local currencies. Net AMPU increased by 10% to €15.14 mainly due to an improvement in tariff mix and propositions, with the net customer service margin increasing 15% in local currencies.

Contract smartphone customers acquired in 2015 represented around 44% of the total contract customers acquired during the year (2014: 41%). Total data usage increased 57% compared to last year to approximately 950 petabytes in 2015. Data usage per active customer was approximately 38.1 gigabytes per user in 2015 compared to 25.4 gigabytes per user in 2014.

Total CACs, net of handset revenue in postpaid contract bundled plans, totalled HK\$6,473 million in 2015, 9% lower than in 2014 and operating expenses also decreased 5% to HK\$17,143 million.

EBITDA and EBIT growth reflected the enlarged customer base, improved net customer service margin, lower customer acquisition costs, full year accretive contribution from 3 Ireland's acquisition of O<sub>2</sub> Ireland and continued realisation of post-merger cost synergies in 3 Austria. EBIT improvement was also due to lower depreciation and amortisation resulting from the rebasing of telecommunication assets under the Reorganisation.

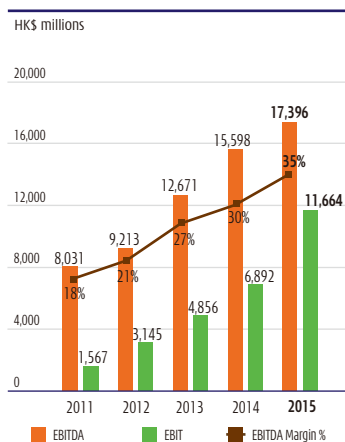
3 Group Europe continued the prudent capex management strategy resulting in EBITDA less capex increasing 49% to HK\$6,466 million in 2015.

In March 2015, HWL entered into an agreement with Telefónica SA to acquire O<sub>2</sub> UK for £9.25 billion cash and deferred upside interest sharing payments of up to £1 billion upon achievement by the combined business of 3 UK and O<sub>2</sub> UK of agreed financial targets. Upon completion of the acquisition, the combined business will become the largest mobile operator in the UK. In May 2015, HWL announced that it has entered into agreements with five institutional investors who will acquire approximately 32.98% interest in the combined business of 3 UK and O<sub>2</sub> UK for a total of £3.1 billion. These agreements are conditional on and will occur concurrently with completion of the acquisition of O<sub>2</sub> UK. The Group is considering the sale of a stake in 3 UK to a new investor with a view to further reducing the new cash investment required from the Group to fund the acquisition. Should such new investment proceed, the Group will consider implementing a revised business structure that would maintain the continuity and separation of the 3 UK and O<sub>2</sub> UK businesses. This would be directed to achieving benefits in terms of operational strategy and focus, regulatory approvals and contractual obligations, while preserving financial and operational efficiencies and savings expected from the acquisition of O<sub>2</sub> UK.

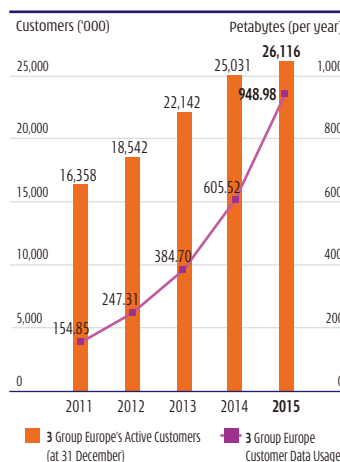
In August 2015, the Group announced agreement with VimpelCom Ltd to form an equal joint venture merging 3 Italy and VimpelCom's subsidiary Wind Telecomunicazioni S.p.A. ("Wind") in Italy. On a combined basis, 3 Italy and Wind will become the largest mobile operator in Italy in terms of customer numbers.

The above transactions are expected to create sufficient scale and capacity for delivering significant operational efficiencies and enhancing network quality and innovations in these markets, and in turn, generating accretive earnings to the Group. The Group is confident that the proposed transactions will create a level playing field for the operations in the UK and Italy to deliver quantitative and qualitative benefits to their customers. Completion of these transactions is subject to regulatory approval.

### 3 Group Europe - EBITDA & EBIT in reported currency



### 3 Group Europe's Active Customers and Data Usage



## Key Business Indicators

	Registered Customer Base					
	Registered Customers at 31 December 2015 ('000)			Registered Customer Growth (%) from 31 December 2014 to 31 December 2015		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
United Kingdom	4,598	6,193	<b>10,791</b>	+9%	+2%	<b>+5%</b>
Italy	4,579	5,503	<b>10,082</b>	-8%	+9%	—
Sweden	253	1,762	<b>2,015</b>	+13%	+6%	<b>+7%</b>
Denmark	414	760	<b>1,174</b>	+11%	+1%	<b>+4%</b>
Austria	1,301	2,485	<b>3,786</b>	+18%	-1%	<b>+5%</b>
Ireland	1,577	1,168	<b>2,745</b>	+10%	—	<b>+6%</b>
<b>3 Group Europe Total</b>	<b>12,722</b>	<b>17,871</b>	<b>30,593</b>	<b>+3%</b>	<b>+4%</b>	<b>+4%</b>

	Active <sup>(4)</sup> Customer Base					
	Active Customers at 31 December 2015 ('000)			Active Customer Growth (%) from 31 December 2014 to 31 December 2015		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
United Kingdom	2,898	6,068	<b>8,966</b>	+17%	+2%	<b>+7%</b>
Italy	3,723	5,396	<b>9,119</b>	-2%	+9%	<b>+4%</b>
Sweden	163	1,762	<b>1,925</b>	+22%	+6%	<b>+7%</b>
Denmark	394	760	<b>1,154</b>	+17%	+1%	<b>+6%</b>
Austria	447	2,471	<b>2,918</b>	+3%	—	—
Ireland	893	1,141	<b>2,034</b>	-3%	+1%	<b>-1%</b>
<b>3 Group Europe Total</b>	<b>8,518</b>	<b>17,598</b>	<b>26,116</b>	<b>+5%</b>	<b>+4%</b>	<b>+4%</b>

	2015	2014
Contract customers as a % of the total registered customer base	<b>58%</b>	58%
Contract customers' contribution to the net customer service revenue base (%)	<b>83%</b>	84%
Average monthly churn rate of the total contract registered customer base (%)	<b>1.8%</b>	1.7%
Active contract customers as a % of the total contract registered customer base	<b>98%</b>	98%
Active customers as a % of the total registered customer base	<b>85%</b>	85%

Note 4: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

**12-month Trailing Average Revenue per Active User <sup>(5)</sup> ("ARPU")  
to 31 December 2015**

	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2014
United Kingdom	£5.23	£26.93	<b>£20.10</b>	-3%
Italy	€8.47	€17.87	<b>€13.89</b>	+2%
Sweden	SEK127.25	SEK305.42	<b>SEK290.95</b>	+1%
Denmark	DKK99.11	DKK168.77	<b>DKK146.36</b>	-5%
Austria	€9.77	€22.33	<b>€20.46</b>	+4%
Ireland	€16.52	€31.25	<b>€24.73</b>	-4%
<b>3 Group Europe Average</b>	<b>€9.29</b>	<b>€27.84</b>	<b>€21.77</b>	<b>+4%</b>

**12-month Trailing Net Average Revenue per Active User <sup>(6)</sup> ("Net ARPU")  
to 31 December 2015**

	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2014
United Kingdom	£5.23	£19.41	<b>£14.95</b>	-1%
Italy	€8.47	€17.87	<b>€13.89</b>	+2%
Sweden	SEK127.25	SEK216.27	<b>SEK209.05</b>	—
Denmark	DKK99.11	DKK152.10	<b>DKK135.06</b>	-6%
Austria	€9.77	€19.03	<b>€17.65</b>	+8%
Ireland	€16.52	€27.48	<b>€22.63</b>	-5%
<b>3 Group Europe Average</b>	<b>€9.29</b>	<b>€22.44</b>	<b>€18.14</b>	<b>+5%</b>

**12-month Trailing Net Average Margin per Active User <sup>(7)</sup> ("Net AMPU")  
to 31 December 2015**

	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2014
United Kingdom	£4.56	£16.80	<b>£12.95</b>	+7%
Italy	€6.82	€13.78	<b>€10.83</b>	+4%
Sweden	SEK107.56	SEK185.57	<b>SEK179.24</b>	—
Denmark	DKK87.43	DKK131.85	<b>DKK117.56</b>	-6%
Austria	€8.39	€15.92	<b>€14.80</b>	+10%
Ireland	€12.70	€23.03	<b>€18.46</b>	-5%
<b>3 Group Europe Average</b>	<b>€7.66</b>	<b>€18.77</b>	<b>€15.14</b>	<b>+10%</b>

Note 5: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in postpaid contract bundled plans, divided by the average number of active customers during the year.

Note 6: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid contract bundled plans, divided by the average number of active customers during the year.

Note 7: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the year.



## United Kingdom

	2015 <sup>(8)</sup> GBP millions	2014 <sup>(8)</sup> GBP millions	Change
<b>Total Revenue</b>	<b>2,195</b>	2,063	+6%
- Net customer service revenue	1,573	1,459	+8%
- Handset revenue	549	577	-5%
- Other revenue	73	27	+170%
<b>Net Customer Service Margin</b>	<b>1,363</b>	1,169	+17%
<i>Net customer service margin %</i>	<i>87%</i>	<i>80%</i>	
<b>Other Margin</b>	<b>18</b>	10	+80%
Total CACs	(764)	(807)	+5%
Less: Handset revenue	549	577	-5%
<b>Total CACs (net of handset revenue)</b>	<b>(215)</b>	(230)	+7%
<b>Operating Expenses</b>	<b>(480)</b>	(402)	-19%
<i>Opex as a % of net customer service margin</i>	<i>35%</i>	<i>34%</i>	
<b>EBITDA</b>	<b>686</b>	547	+25%
<i>EBITDA Margin %</i>	<i>42%</i>	<i>37%</i>	
<b>Depreciation &amp; Amortisation</b>	<b>(225)</b>	(233)	+3%
<b>EBIT</b>	<b>461</b>	314	+47%
<b>Capex (excluding licence)</b>	<b>(358)</b>	(322)	-11%
<b>EBITDA less Capex</b>	<b>328</b>	225	+46%
<b>Licence</b>	<b>(212)</b>	(1)	-21,100%

Note 8: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	10.8	10.3
Total active customer base (millions)	9.0	8.4
Contract customers as a % of the total registered customer base	57%	59%
Contract customers' contribution to the net customer service revenue base (%)	89%	90%
Average monthly churn rate of the total contract registered customer base (%)	1.5%	1.6%
Active contract customers as a % of the total contract registered customer base	98%	98%
Active customers as a % of the total registered customer base	83%	82%

EBITDA of £686 million was 25% higher than 2014 mainly driven by improved net customer service margin primarily due to an enlarged customer base and the net AMPU growth of 7% compared to 2014 through pricing and proposition changes and a one-time release of the excess in the provision made last year following the settlement of interconnection rate disputes during the year. The margin improvement was partly offset by higher operating expenses driven largely by higher network costs due to additional new sites commissioned. EBIT of £461 million represents a 47% increase over last year following the strong EBITDA performance and lower depreciation as a result of rebasing telecommunication assets under the Reorganisation.

## Italy

	2015 <sup>(9)</sup> EUR millions	2014 <sup>(9)</sup> EUR millions	Change
<b>Total Revenue</b>	<b>1,825</b>	1,739	+5%
- Net customer service revenue	<b>1,478</b>	1,376	+7%
- Handset revenue	<b>297</b>	308	-4%
- Other revenue	<b>50</b>	55	-9%
<b>Net Customer Service Margin</b>	<b>1,153</b>	1,052	+10%
<i>Net customer service margin %</i>	<b>78%</b>	76%	
<b>Other Margin</b>	<b>48</b>	53	-9%
Total CACs	<b>(560)</b>	(551)	-2%
Less: Handset revenue	<b>297</b>	308	-4%
<b>Total CACs (net of handset revenue)</b>	<b>(263)</b>	(243)	-8%
<b>Operating Expenses</b>	<b>(662)</b>	(614)	-8%
<i>Opex as a % of net customer service margin</i>	<b>57%</b>	58%	
<b>EBITDA</b>	<b>276</b>	248	+11%
<i>EBITDA Margin %</i>	<b>18%</b>	17%	
<b>Depreciation &amp; Amortisation</b>	<b>(119)</b>	(294)	+60%
<b>EBIT (LBIT)</b>	<b>157</b>	(46)	+441%
<b>Capex (excluding licence)</b>	<b>(446)</b>	(404)	-10%
<b>EBITDA less Capex</b>	<b>(170)</b>	(156)	-9%
<b>Licence</b>	<b>—</b>	(2)	+100%

Note 9: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and LBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	<b>10.1</b>	10.0
Total active customer base (millions)	<b>9.1</b>	8.8
Contract customers as a % of the total registered customer base	<b>55%</b>	50%
Contract customers' contribution to the net customer service revenue base (%)	<b>74%</b>	74%
Average monthly churn rate of the total contract registered customer base (%)	<b>2.7%</b>	2.3%
Active contract customers as a % of the total contract registered customer base	<b>98%</b>	98%
Active customers as a % of the total registered customer base	<b>90%</b>	87%

Despite intense competition in the Italian market, **3** Italy successfully grew its active customer base by 4% to 9.1 million customers in 2015. EBITDA increased 11% during the year, mainly driven by a 10% increase in net customer service margin from the increase in the contract customer base, partly offset by higher operating expenses and higher total CACs (net of handset revenue). The turnaround to an EBIT of €157 million from the LBIT position of €46 million in 2014 was also due to the lower depreciation as a result of rebasing telecommunication assets under the Reorganisation.

## Sweden

	2015 <sup>(10)</sup> SEK millions	2014 <sup>(10)</sup> SEK millions	Change
<b>Total Revenue</b>	<b>7,019</b>	6,407	+10%
- Net customer service revenue	<b>4,657</b>	4,286	+9%
- Handset revenue	<b>2,073</b>	1,893	+10%
- Other revenue	<b>289</b>	228	+27%
<b>Net Customer Service Margin</b>	<b>3,995</b>	3,664	+9%
<i>Net customer service margin %</i>	<i>86%</i>	<i>85%</i>	
<b>Other Margin</b>	<b>101</b>	65	+55%
Total CACs	<b>(2,806)</b>	(2,543)	-10%
Less: Handset revenue	<b>2,073</b>	1,893	+10%
<b>Total CACs (net of handset revenue)</b>	<b>(733)</b>	(650)	-13%
<b>Operating Expenses</b>	<b>(1,338)</b>	(1,333)	—
<i>Opex as a % of net customer service margin</i>	<i>33%</i>	<i>36%</i>	
<b>EBITDA</b>	<b>2,025</b>	1,746	+16%
<i>EBITDA Margin %</i>	<i>41%</i>	<i>39%</i>	
<b>Depreciation &amp; Amortisation</b>	<b>(653)</b>	(752)	+13%
<b>EBIT</b>	<b>1,372</b>	994	+38%
<b>Capex (excluding licence)</b>	<b>(809)</b>	(790)	-2%
<b>EBITDA less Capex</b>	<b>1,216</b>	956	+27%

Note 10: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	<b>2.0</b>	1.9
Total active customer base (millions)	<b>1.9</b>	1.8
Contract customers as a % of the total registered customer base	<b>87%</b>	88%
Contract customers' contribution to the net customer service revenue base (%)	<b>95%</b>	96%
Average monthly churn rate of the total contract registered customer base (%)	<b>1.5%</b>	1.4%
Active contract customers as a % of the total contract registered customer base	<b>100%</b>	100%
Active customers as a % of the total registered customer base	<b>96%</b>	95%

In Sweden, where the Group has a 60% interest, EBITDA of SEK2,025 million increased 16% from 2014 due to the 7% enlarged active customer base and stringent control of operating expenses, partly offset by 13% increase in total CACs (net of handset revenue) due to higher volumes. EBIT of SEK1,372 million represents a 38% improvement over 2014 reflecting the EBITDA growth as well as lower depreciation as a result of rebasing telecommunication assets under the Reorganisation.

## Denmark

	2015 <sup>(11)</sup> DKK millions	2014 <sup>(11)</sup> DKK millions	Change
<b>Total Revenue</b>	<b>2,078</b>	2,046	+2%
- Net customer service revenue	<b>1,802</b>	1,799	—
- Handset revenue	<b>178</b>	178	—
- Other revenue	<b>98</b>	69	+42%
<b>Net Customer Service Margin</b>	<b>1,571</b>	1,566	—
<i>Net customer service margin %</i>	<i>87%</i>	87%	
<b>Other Margin</b>	<b>52</b>	32	+63%
Total CACs	<b>(433)</b>	(416)	-4%
Less: Handset revenue	<b>178</b>	178	—
Total CACs (net of handset revenue)	<b>(255)</b>	(238)	-7%
Operating Expenses	<b>(664)</b>	(626)	-6%
<i>Opex as a % of net customer service margin</i>	<i>42%</i>	40%	
<b>EBITDA</b>	<b>704</b>	734	-4%
<i>EBITDA Margin %</i>	<i>37%</i>	39%	
Depreciation & Amortisation	<b>(274)</b>	(309)	+11%
<b>EBIT</b>	<b>430</b>	425	+1%
Capex (excluding licence)	<b>(161)</b>	(187)	+14%
EBITDA less Capex	<b>543</b>	547	-1%

Note 11: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	<b>1.2</b>	1.1
Total active customer base (millions)	<b>1.2</b>	1.1
Contract customers as a % of the total registered customer base	<b>65%</b>	67%
Contract customers' contribution to the net customer service revenue base (%)	<b>76%</b>	76%
Average monthly churn rate of the total contract registered customer base (%)	<b>2.8%</b>	2.7%
Active contract customers as a % of the total contract registered customer base	<b>100%</b>	100%
Active customers as a % of the total registered customer base	<b>98%</b>	97%

The operation in Denmark, where the Group has a 60% interest, faced a challenging and competitive market in 2015, where the proposed but withdrawn merger of the two major Danish operators intensified market competition during the year. Although the active customer base increased 6%, this was fully offset by the 6% lower net AMPU resulting in the net customer service margin remained constant in 2015 compared to 2014. EBITDA decreased 4% to DKK704 million, mainly driven by higher operating expenses and total CACs (net of handset revenue). The decline in EBITDA was fully compensated by the lower depreciation and amortisation due to lower telecommunication asset base under the Reorganisation and as a consequence, EBIT improved by 1% to DKK430 million.

## Austria

	2015 <sup>(12)</sup> EUR millions	2014 <sup>(12)</sup> EUR millions	Change
<b>Total Revenue</b>	<b>736</b>	686	+7%
- Net customer service revenue	<b>613</b>	564	+9%
- Handset revenue	<b>99</b>	99	—
- Other revenue	<b>24</b>	23	+4%
<b>Net Customer Service Margin</b>	<b>514</b>	464	+11%
<i>Net customer service margin %</i>	<b>84%</b>	82%	
<b>Other Margin</b>	<b>16</b>	17	-6%
Total CACs	<b>(132)</b>	(123)	-7%
Less: Handset revenue	<b>99</b>	99	—
Total CACs (net of handset revenue)	<b>(33)</b>	(24)	-38%
<b>Operating Expenses</b>	<b>(181)</b>	(212)	+15%
<i>Opex as a % of net customer service margin</i>	<b>35%</b>	46%	
<b>EBITDA</b>	<b>316</b>	245	+29%
<i>EBITDA Margin %</i>	<b>50%</b>	42%	
<b>Depreciation &amp; Amortisation</b>	<b>(64)</b>	(75)	+15%
<b>EBIT</b>	<b>252</b>	170	+48%
Capex (excluding licence)	<b>(116)</b>	(135)	+14%
EBITDA less Capex	<b>200</b>	110	+82%

Note 12: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	<b>3.8</b>	3.6
Total active customer base (millions)	<b>2.9</b>	2.9
Contract customers as a % of the total registered customer base	<b>66%</b>	69%
Contract customers' contribution to the net customer service revenue base (%)	<b>92%</b>	93%
Average monthly churn rate of the total contract registered customer base (%)	<b>0.4%</b>	0.6%
Active contract customers as a % of the total contract registered customer base	<b>99%</b>	99%
Active customers as a % of the total registered customer base	<b>77%</b>	81%

EBITDA increased 29% from 2014 to €316 million mainly due to an increase in net customer service margin driven by higher net AMPU from improved tariff propositions and mix, together with lower operating expenses attributable to the realisation of additional cost synergies from the Orange Austria acquisition in 2013. EBIT increased 48% to €252 million in 2015, reflecting the improvement of EBITDA as well as the lower depreciation and amortisation due to a lower asset base as a result of the Reorganisation.

## Ireland

	2015 <sup>(13)</sup> EUR millions	2014 <sup>(13)</sup> EUR millions	Change
<b>Total Revenue</b>	<b>689</b>	436	+58%
- Net customer service revenue	549	358	+53%
- Handset revenue	79	47	+68%
- Other revenue	61	31	+97%
<b>Net Customer Service Margin</b>	<b>448</b>	292	+53%
<i>Net customer service margin %</i>	<i>82%</i>	82%	
<b>Other Margin</b>	<b>30</b>	6	+400%
Total CACs	(127)	(87)	-46%
Less: Handset revenue	79	47	+68%
<b>Total CACs (net of handset revenue)</b>	<b>(48)</b>	(40)	-20%
<b>Operating Expenses</b>	<b>(256)</b>	(194)	-32%
<i>Opex as a % of net customer service margin</i>	<i>57%</i>	66%	
<b>EBITDA</b>	<b>174</b>	64	+172%
<i>EBITDA Margin %</i>	<i>29%</i>	16%	
<b>Depreciation &amp; Amortisation</b>	<b>(65)</b>	(64)	-2%
<b>EBIT</b>	<b>109</b>	0.1	+108,900%
<b>Capex (excluding licence)</b>	<b>(132)</b>	(126)	-5%
<b>EBITDA less Capex</b>	<b>42</b>	(62)	+168%

Note 13: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	2.7	2.6
Total active customer base (millions)	2.0	2.1
Contract customers as a % of the total registered customer base	43%	45%
Contract customers' contribution to the net customer service revenue base (%)	68%	69%
Average monthly churn rate of the total contract registered customer base (%)	1.6%	1.5%
Active contract customers as a % of the total contract registered customer base	98%	98%
Active customers as a % of the total registered customer base	74%	79%

EBITDA of €174 million and EBIT of €109 million were higher than 2014 as results in 2015 reflected the full year accretive contribution from the acquisition of O<sub>2</sub> Ireland in July 2014, together with realisation of cost synergies associated with combining the two operations.

## Hutchison Telecommunications Hong Kong Holdings

	2015 <sup>(14)</sup> HK\$ millions	2014 <sup>(14)</sup> HK\$ millions	Change
Comparable Revenue	22,042	16,296	+35%
Comparable EBITDA	2,891	2,780	+4%
Comparable EBIT	1,448	1,380	+5%
Total active customer base ('000)	3,031	3,197	-5%

### Results including Additional Contributions:

	2015 <sup>(14)</sup> HK\$ millions	2014 <sup>(14)</sup> HK\$ millions	Change
Total Revenue	22,122	16,296	+36%
Total EBITDA	2,911	2,780	+5%
Total EBIT	1,426	1,380	+3%

Note 14: To reflect the underlying performance of HTHKH in 2015, Comparable Revenue, EBITDA and EBIT exclude the contribution from additional interest in HTHKH and its JV that arose from the Reorganisation. 2015 pro forma Total Revenue, EBITDA and EBIT include the full year pro forma contribution from additional interest in HTHKH and its JV. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

HTHKH announced its 2015 turnover of HK\$22,042 million and profit attributable to shareholders of HK\$915 million, an increase of 35% and 10% respectively over last year. Comparable EBITDA of HK\$2,891 million and comparable EBIT of HK\$1,448 million were 4% and 5% higher than last year respectively, primarily driven by growth in mobile business from lower acquisition and retention costs, improvement in operational efficiency, as well as higher hardware sales in 2015. The contribution from the fixed-line telecommunications business in Hong Kong was lower than last year, as a result of the reduced demand in IDD, partially offset by higher revenue from corporate and business segments driven by increasing demand on bandwidth capacity and solution-based products.

### Additional Contributions

Post-Reorganisation, the Group's interest in HTHKH as compared to HWL's interest has increased from 65.01% to currently 66.09%. Included as Additional Contributions is a 50% interest in a joint venture with HTHKH, of which HTHKH holds the other 50%. Including the Additional Contributions, total revenue, EBITDA and EBIT amounted to HK\$22,122 million, HK\$2,911 million and HK\$1,426 million respectively, a 36%, 5% and 3% increase respectively from the 2014 results as reported by HWL.

## Hutchison Asia Telecommunications

	2015 <sup>(15)</sup> HK\$ millions	2014 <sup>(15)</sup> HK\$ millions	Change	Change in Local Currency
Total Revenue	6,900	5,757	+20%	+34%
Total EBITDA/(LBITDA)	1,176	(278)	+523%	+588%
Total EBIT/(LBIT)	1,176	(1,465)	+180%	+193%
Total active customer base ('000)	72,820	54,454	+34%	

Note 15: 2015 pro forma total EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, LBITDA and LBIT are as presented in HWL's 2014 Annual Report.

## Hutchison Asia Telecommunications (continued)

HAT reported EBITDA of HK\$1,176 million in 2015, a turnaround from LBITDA of HK\$278 million in 2014 mainly due to charges of HK\$1.1 billion relating to inappropriate dealer credit and commissioning practices in the Indonesian operation in 2014. On a full year pro forma basis, the turnaround to EBIT of HK\$1,176 million in 2015 compared to an LBIT of HK\$1,465 million in 2014, was also due to the division's reduced cost and depreciable asset base under the Reorganisation.

In Indonesia, the active customer base at the end of 2015 increased 48% from last year to approximately 63.6 million customers, representing 87% of HAT's total customer base. The growth momentum has accelerated particularly in the second half of the year, with customer growth of 23% during the period since June 2015, and has significantly improved its net customer service margin during the year. Together with good cost control measures under the leadership of the new management team, notable improvements in profitability have been delivered.

### HTAL, share of VHA

	2015 AUD millions	2014 AUD millions	Change
Announced Total Revenue	1,826	1,748	+4%
Announced EBITDA	406	386	+5%
Announced Loss Attributable to Shareholders	(183)	(286)	+36%

HTAL announced total revenue and EBITDA from its share of 50% owned associated company, VHA, of A\$1,826 million and A\$406 million, a 4% and 5% increase over last year respectively, driven by growth in the customer base as well as good cost controls management. The loss attributable to shareholders decreased by 36% to A\$183 million, primarily due to the improved EBITDA result and lower depreciation charges following the one-off accelerated depreciation in 2014.

VHA's active customer base increased 3% to over 5.4 million (including MVNOS) at 31 December 2015, with over 3% growth in the higher margin postpaid segment. Complaints to the Telecommunications Industry Ombudsman fell 67% between the December 2014 quarter and the December 2015 quarter and VHA had the lowest ratio of complaints of all the major Australian mobile telecommunications providers in the September 2015 and December 2015 quarters.

Following a solid performance in 2015, VHA will continue to focus on its product offerings, network and customer service in order to continue to grow the customer base and a strong brand.

#### VHA Net Customers Additions

