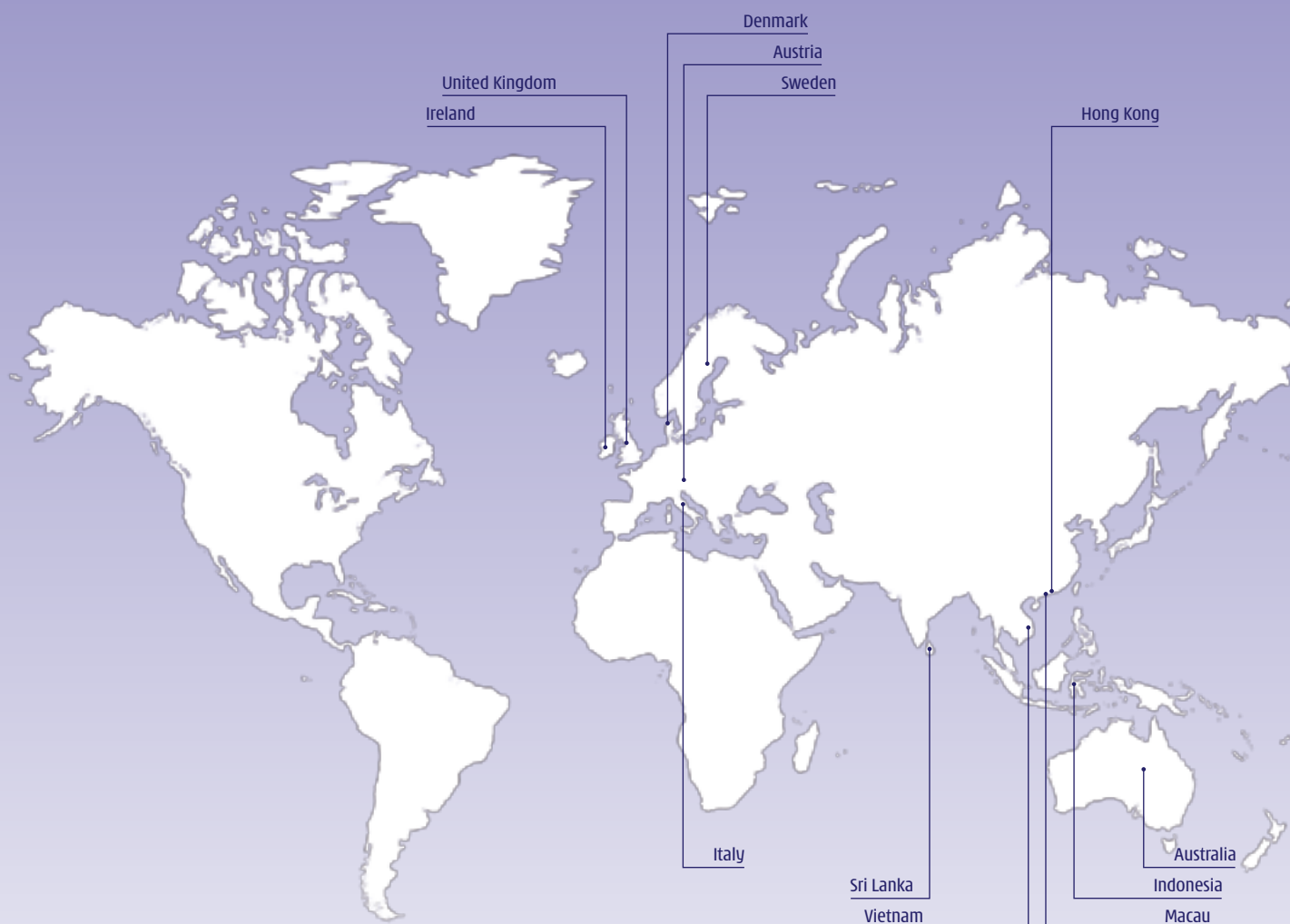


# Telecommunications



3 UK has the country's fastest growing network and covers 97% of the UK population.



- **3 Group Europe's total revenue, EBITDA and EBIT increased 6%, 38% and 54% respectively.**
- **3 Group Europe's active customer base totals over 22.1 million as at 31 December 2013.**
- **HTHKH announced profit attributable to shareholders of HK\$916 million, a 25% decrease over last year.**
- **HAT's EBITDA increased by 94% and LBIT improved by 52%.**



1. Customers can purchase the newest mobile devices and experience an array of mobile telecommunications services at 3 Shops throughout Hong Kong.
2. HGC's data centres are accredited with ISO 27001 information security management certification, offering a one-stop network solution and world-class data centre service.



3



3. 3 Italia continues to grow its customer base.

4. 3 Austria completes its acquisition of Orange Austria in January.

4



The Group's telecommunications division consists of the 3 Group businesses in Europe ("3 Group Europe"), a 65.01% 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

	2013 HK\$ millions	2012 HK\$ millions	Change
<b>Total Revenue</b>	<b>61,976</b>	58,708	+6%
- Net customer service revenue	45,536	41,962	+9%
- Handset revenue	15,062	14,750	+2%
- Other revenue	1,378	1,996	-31%
<b>Net Customer Service Margin <sup>(1)</sup></b>	<b>35,633</b>	29,436	+21%
<i>Net customer service margin %</i>	<i>78%</i>	<i>70%</i>	
<b>Other Margin</b>	<b>1,015</b>	1,851	-45%
Total CACs	(21,675)	(22,427)	+3%
Less: Handset revenue	15,062	14,750	+2%
<b>Total CACs (net of handset revenue)</b>	<b>(6,613)</b>	(7,677)	+14%
<b>Operating Expenses</b>	<b>(17,364)</b>	(14,397)	-21%
<i>Opex as a % of net customer service margin</i>	<i>49%</i>	<i>49%</i>	
<b>EBITDA <sup>(1)</sup></b>	<b>12,671</b>	9,213	+38%
<i>EBITDA Margin % <sup>(2)</sup></i>	<i>27%</i>	<i>21%</i>	
<b>Depreciation &amp; Amortisation</b>	<b>(7,815)</b>	(6,515)	-20%
<b>One-time Item <sup>(1)</sup></b>	<b>–</b>	447	-100%
<b>EBIT <sup>(1)</sup></b>	<b>4,856</b>	3,145	+54%
<b>Capex (excluding licence)</b>	<b>(10,176)</b>	(11,346)	+10%
<b>EBITDA less Capex</b>	<b>2,495</b>	(2,133)	+217%
<b>Licence</b>	<b>(6,824)</b>	(2,253)	-203%

Note 1: Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs). EBITDA represents the operational results excluding one-time items and is stated after all customer acquisition costs and retention costs. There are no one-time items included in EBIT in 2013 while a one-time item of HK\$447 million in 2012 represents the net gain from a network sharing arrangement in Ireland.

Note 2: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

In local currencies, growth in total revenue, net customer service margin, EBITDA and EBIT for the year were 4%, 19%, 35% and 52% respectively. 3 Group Europe contributed 15%, 13% and 8% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

3 Group Europe's registered customer base grew 13% during the year to total over 26.6 million at 31 December 2013, while the active base grew 19% to total over 22.1 million and represented an 83% activity level. The proportion of active contract customers in the 3 Group Europe contract customer base was 98% compared to 97% in 2012. The revenue generated by contract customers accounted for approximately 87% of overall net customer service revenue, 1%-point higher than last year. The proportion of contract customers as a percentage of the registered customer base has increased from 56% last year to 59% at the end of 2013. Management continues to focus on managing churn and the average monthly customer churn rate of the contract customer remained stable at 1.7%.

3 Group Europe's net ARPU, which excludes the monthly contribution for a handset / device in postpaid contract bundled plans, on a 12-month trailing average active customer basis, decreased by 14% to €17.45 compared to 2012, primarily due to further regulated interconnection rate reductions in various countries that 3 Group Europe operates in. Net AMPU decreased by 4% to €13.65 as the lower interconnection revenue was partly offset by corresponding lower interconnection charges on outgoing calls. Despite the decrease in net ARPU and net AMPU, net customer service revenue and net customer service margin increased by 9% and 21% respectively mainly due to the increase in active customers.

3 Group Europe continued to capture market share in the smartphone and mobile data segments. The majority of the 3 Group Europe operations continued to hold a leading position in their respective country's smartphone and mobile broadband access segments during the year. Following the licence auctions in the UK, Austria and Ireland during 2013, 3 Group Europe has completed spectrum acquisitions to support 4G (LTE) rollouts, which will continue in all of its major markets in 2014, to provide good customer usage experiences and competitively priced services. Cumulative total expenditure across 3 Group Europe on 4G (LTE) spectrum licences totals approximately €1.1 billion. Public recognition for network excellence continued in 2013 with 3 UK winning awards from uSwitch for Mobile Broadband, Roaming and Customer Support categories and also winning the best value awards (for Pay Month and SIM only categories), as well as leading consistently on YouGov's iPhone, Dongle and Tablet Trackers and 3 Austria winning best network in German speaking countries for the smartphone category.

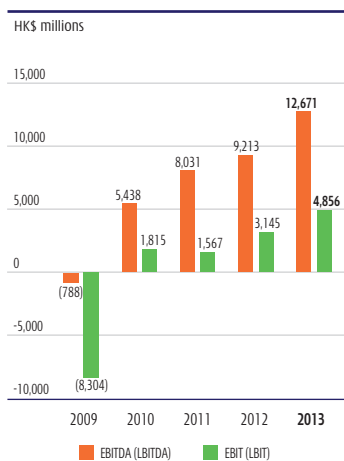
At 31 December 2013, approximately 6.6 million customers, representing 25% of the total 3 Group Europe customer base, are mobile broadband access customers, an increase of 8% from last year. Contract smartphone customers acquired in 2013 represented around 51% of the total contract customers acquired during the year. Total data usage exceeded 384 petabytes in 2013, an increase of 56% compared to last year. Data usage per active customer was approximately 18.2 gigabytes in 2013 compared to 14.0 gigabytes in 2012.

Total CACs, net of handset revenue in postpaid contract bundled plans, totalled HK\$6,613 million in 2013, 14% lower than in 2012. Operating expenses increased 21% to HK\$17,364 million, in line with the growth in net customer service margin.

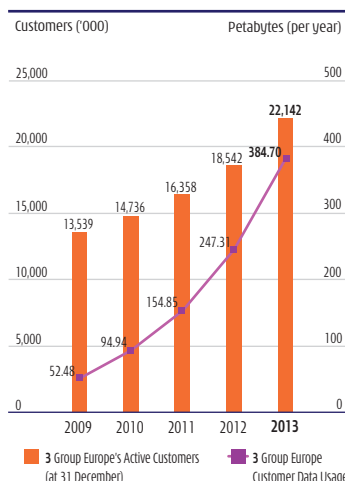
EBITDA and EBIT growth reflected the increased net customer service margin driven by the enlarged customer base and lower CACs, partly offset by higher operating expenses and higher depreciation and amortisation from an increased asset base.

3 Group Europe achieved an important milestone of an overall positive EBITDA less capex in the year. This achievement reflects the successful strategy of 3 Group Europe to focus on improving service margins in market segments that demonstrate high growth potential, the success in transiting the operations to a non-subsidised handset model, which was completed in 2013, and the establishment of an industry leading cost structure.

**3 Group Europe - EBITDA & EBIT**



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



Key Business Indicators

	Registered Customer Base					
	Registered Customers at 31 December 2013 ('000)			Registered Customer Growth (%) from 31 December 2012 to 31 December 2013		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
United Kingdom	3,957	5,885	<b>9,842</b>	+4%	+12%	<b>+9%</b>
Italy	5,017	4,672	<b>9,689</b>	-3%	+7%	<b>+2%</b>
Sweden	160	1,530	<b>1,690</b>	-5%	+11%	<b>+9%</b>
Denmark	301	725	<b>1,026</b>	+39%	+14%	<b>+20%</b>
Austria <sup>(3)</sup>	931	2,497	<b>3,428</b>	+68%	+116%	<b>+100%</b>
Ireland	610	351	<b>961</b>	+36%	-5%	<b>+17%</b>
<b>3 Group Europe Total</b>	<b>10,976</b>	<b>15,660</b>	<b>26,636</b>	<b>+6%</b>	<b>+19%</b>	<b>+13%</b>

	Active <sup>(4)</sup> Customer Base					
	Active Customers at 31 December 2013 ('000)			Active Customer Growth (%) from 31 December 2012 to 31 December 2013		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
United Kingdom	2,218	5,718	<b>7,936</b>	-2%	+12%	<b>+8%</b>
Italy	3,672	4,525	<b>8,197</b>	+27%	+9%	<b>+16%</b>
Sweden	92	1,530	<b>1,622</b>	+1%	+11%	<b>+10%</b>
Denmark	280	725	<b>1,005</b>	+35%	+14%	<b>+19%</b>
Austria <sup>(5)</sup>	358	2,476	<b>2,834</b>	+94%	+116%	<b>+113%</b>
Ireland	237	311	<b>548</b>	+39%	+2%	<b>+15%</b>
<b>3 Group Europe Total</b>	<b>6,857</b>	<b>15,285</b>	<b>22,142</b>	<b>+18%</b>	<b>+20%</b>	<b>+19%</b>

	2013	2012
Contract customers as a % of the total registered customer base	<b>59%</b>	56%
Contract customers' contribution to the net customer service revenue base (%)	<b>87%</b>	86%
Average monthly churn rate of the total contract registered customer base (%)	<b>1.7%</b>	1.7%
Active contract customers as a % of the total contract registered customer base	<b>98%</b>	97%
Active customers as a % of the total registered customer base	<b>83%</b>	79%

Note 3: Includes 1.5 million of registered customers added upon the acquisition of Orange Austria in January 2013.

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.

Note 5: Includes 1.45 million of active customers added upon the acquisition of Orange Austria in January 2013.

**12-month Trailing Average Revenue per Active User<sup>(6)</sup> ("ARPU")  
to 31 December 2013**

	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2012
United Kingdom	£5.96	£26.73	<b>£20.74</b>	-2%
Italy	€6.69	€20.83	<b>€14.71</b>	-20%
Sweden	SEK108.32	SEK306.92	<b>SEK295.43</b>	-1%
Denmark	DKK138.08	DKK184.92	<b>DKK172.52</b>	-20%
Austria	€7.17	€22.79	<b>€20.60</b>	-9%
Ireland	€15.30	€37.98	<b>€28.93</b>	-10%
<b>3 Group Europe Average</b>	<b>€7.63</b>	<b>€27.07</b>	<b>€21.13</b>	<b>-12%</b>

**12-month Trailing Net Average Revenue per Active User<sup>(7)</sup> ("Net ARPU")  
to 31 December 2013**

	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2012
United Kingdom	£5.96	£18.84	<b>£15.13</b>	-8%
Italy	€6.69	€20.83	<b>€14.71</b>	-20%
Sweden	SEK108.32	SEK218.63	<b>SEK212.24</b>	-10%
Denmark	DKK138.08	DKK168.18	<b>DKK160.21</b>	-15%
Austria	€7.17	€19.24	<b>€17.55</b>	+3%
Ireland	€15.30	€30.05	<b>€24.17</b>	-11%
<b>3 Group Europe Average</b>	<b>€7.63</b>	<b>€21.77</b>	<b>€17.45</b>	<b>-14%</b>

**12-month Trailing Net Average Margin per Active User<sup>(8)</sup> ("Net AMPU")  
to 31 December 2013**

	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2012
United Kingdom	£5.14	£14.84	<b>£12.05</b>	+1%
Italy	€5.19	€15.31	<b>€10.93</b>	-8%
Sweden	SEK76.05	SEK180.75	<b>SEK174.69</b>	-6%
Denmark	DKK116.84	DKK145.52	<b>DKK137.93</b>	-6%
Austria	€5.98	€14.75	<b>€13.52</b>	+21%
Ireland	€10.77	€24.28	<b>€18.89</b>	+5%
<b>3 Group Europe Average</b>	<b>€6.15</b>	<b>€16.95</b>	<b>€13.65</b>	<b>-4%</b>

Note 6: 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 7: 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 8: 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

	2013 GBP millions	2012 GBP millions	Change
<b>Total Revenue</b>	<b>2,044</b>	1,948	+5%
- Net customer service revenue	<b>1,376</b>	1,347	+2%
- Handset revenue	<b>645</b>	586	+10%
- Other revenue	<b>23</b>	15	+53%
<b>Net Customer Service Margin</b>	<b>1,095</b>	977	+12%
<i>Net customer service margin %</i>	<b>80%</b>	73%	
<b>Other Margin</b>	<b>15</b>	11	+36%
Total CACs	<b>(917)</b>	(884)	-4%
Less: Handset revenue	<b>645</b>	586	+10%
Total CACs (net of handset revenue)	<b>(272)</b>	(298)	+9%
Operating Expenses	<b>(421)</b>	(409)	-3%
<i>Opex as a % of net customer service margin</i>	<b>38%</b>	42%	
<b>EBITDA</b>	<b>417</b>	281	+48%
<i>EBITDA Margin %</i>	<b>30%</b>	21%	
Depreciation & Amortisation	<b>(210)</b>	(180)	-17%
<b>EBIT</b>	<b>207</b>	101	+105%
Capex (excluding licence)	<b>(271)</b>	(250)	-8%
EBITDA less Capex	<b>146</b>	31	+371%
Licence	<b>(238)</b>	–	NA

	2013	2012
Total registered customer base (millions)	<b>9.8</b>	9.1
Total active customer base (millions)	<b>7.9</b>	7.4
Contract customers as a % of the total registered customer base	<b>60%</b>	58%
Contract customers' contribution to the net customer service revenue base (%)	<b>89%</b>	87%
Average monthly churn rate of the total contract registered customer base (%)	<b>1.6%</b>	1.5%
Active contract customers as a % of the total contract registered customer base	<b>97%</b>	97%
Active customers as a % of the total registered customer base	<b>81%</b>	81%

EBITDA of £417 million was 48% higher than 2012 mainly driven by improved net customer service margin, due to net AMPU being 1% higher than 2012 and an enlarged customer base, and lower total CACs (net of handset revenue). These improvements were partly offset by higher depreciation and amortisation due to an increased number of sites, resulting in an EBIT of £207 million, an increase of 105% over last year.

3 UK successfully acquired one block of 5 MHz of 800 MHz paired spectrum in the auction held in the UK in early 2013 at a cost of £225 million to build an LTE network. Additional incidental spectrum licence costs of £13 million were incurred in the year. 3 UK launched its 4G (LTE) services in December 2013.

## Italy

	2013 EUR millions	2012 EUR millions	Change
<b>Total Revenue</b>	<b>1,746</b>	1,965	-11%
- Net customer service revenue	1,352	1,457	-7%
- Handset revenue	341	406	-16%
- Other revenue	53	102	-48%
<b>Net Customer Service Margin</b>	<b>1,004</b>	939	+7%
<i>Net customer service margin %</i>	<i>74%</i>	<i>64%</i>	
<b>Other Margin</b>	<b>49</b>	112	-56%
Total CACs	(519)	(678)	+23%
Less: Handset revenue	341	406	-16%
<b>Total CACs (net of handset revenue)</b>	<b>(178)</b>	(272)	+35%
<b>Operating Expenses</b>	<b>(596)</b>	(515)	-16%
<i>Opex as a % of net customer service margin</i>	<i>59%</i>	<i>55%</i>	
<b>EBITDA</b>	<b>279</b>	264	+6%
<i>EBITDA Margin %</i>	<i>20%</i>	<i>17%</i>	
<b>Depreciation &amp; Amortisation</b>	<b>(279)</b>	(263)	-6%
<b>EBIT</b>	<b>0.3</b>	0.5	-40%
<b>Capex (excluding licence)</b>	<b>(344)</b>	(562)	+39%
<b>EBITDA less Capex</b>	<b>(65)</b>	(298)	+78%
<b>Licence</b>	<b>(21)</b>	(169)	+88%

	2013	2012
Total registered customer base (millions)	9.7	9.5
Total active customer base (millions)	8.2	7.0
Contract customers as a % of the total registered customer base	48%	46%
Contract customers' contribution to the net customer service revenue base (%)	80%	82%
Average monthly churn rate of the total contract registered customer base (%)	2.3%	2.3%
Active contract customers as a % of the total contract registered customer base	97%	95%
Active customers as a % of the total registered customer base	85%	74%

EBITDA of €279 million increased 6% from 2012 despite the very competitive environment in the Italian market in 2013. The higher EBITDA was driven by a 7% increase in net customer service margin mainly due to the increase in active customer base of 16% partly offset by reduction in net AMPU of 8%, as well as total CACs (net of handset revenue) being lower due to lower commissions and the lower proportion of contract customers acquired. These favourable variances are partly offset by an increase in operating expenses due to higher network cost resulted from the rollout of additional sites. EBIT of €0.3 million was in line with 2012 as a result of higher depreciation and amortisation offsetting the EBITDA growth.

## Operations Review – Telecommunications

### Sweden

	2013 SEK millions	2012 SEK millions	Change
<b>Total Revenue</b>	<b>5,717</b>	5,981	-4%
- Net customer service revenue	<b>3,956</b>	3,941	+0%
- Handset revenue	<b>1,568</b>	1,663	-6%
- Other revenue	<b>193</b>	377	-49%
<b>Net Customer Service Margin</b>	<b>3,259</b>	3,130	+4%
<i>Net customer service margin %</i>	<b>82%</b>	79%	
<b>Other Margin</b>	<b>78</b>	287	-73%
Total CACs	<b>(2,096)</b>	(2,207)	+5%
Less: Handset revenue	<b>1,568</b>	1,663	-6%
<b>Total CACs (net of handset revenue)</b>	<b>(528)</b>	(544)	+3%
<b>Operating Expenses</b>	<b>(1,317)</b>	(1,225)	-8%
<i>Opex as a % of net customer service margin</i>	<b>40%</b>	39%	
<b>EBITDA</b>	<b>1,492</b>	1,648	-9%
<i>EBITDA Margin %</i>	<b>36%</b>	38%	
<b>Depreciation &amp; Amortisation</b>	<b>(685)</b>	(583)	-17%
<b>EBIT</b>	<b>807</b>	1,065	-24%
<b>Capex</b>	<b>(856)</b>	(1,103)	+22%
<b>EBITDA less Capex</b>	<b>636</b>	545	+17%

	2013	2012
Total registered customer base (millions)	<b>1.7</b>	1.6
Total active customer base (millions)	<b>1.6</b>	1.5
Contract customers as a % of the total registered customer base	<b>91%</b>	89%
Contract customers' contribution to the net customer service revenue base (%)	<b>97%</b>	97%
Average monthly churn rate of the total contract registered customer base (%)	<b>1.4%</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 and EBIT of SEK1,492 million and SEK807 million decreased 9% and 24% respectively from 2012, due to lower other margin and higher operating expenses. This was partly offset by an improved net customer service margin, driven by a 10% enlarged active customer base, partly offset by a 6% lower net AMPU as the transition of its customer base to a non-subsidised handset model was only completed at the end of 2013. This is not expected to impact further in 2014 due to the completion of the transition. Excluding the impact of the transition, net customer service margin increased by 12% in 2013. The lower EBIT also reflected higher depreciation and amortisation due to the full year impact of the 4G (LTE) network rollout.

## Denmark

	2013 DKK millions	2012 DKK millions	Change
<b>Total Revenue</b>	<b>1,998</b>	2,098	-5%
- Net customer service revenue	1,772	1,837	-4%
- Handset revenue	153	190	-19%
- Other revenue	73	71	+3%
<b>Net Customer Service Margin</b>	<b>1,526</b>	1,424	+7%
<i>Net customer service margin %</i>	<b>86%</b>	78%	
<b>Other Margin</b>	<b>44</b>	50	-12%
Total CACs	(385)	(412)	+7%
Less: Handset revenue	153	190	-19%
<b>Total CACs (net of handset revenue)</b>	<b>(232)</b>	(222)	-5%
<b>Operating Expenses</b>	<b>(626)</b>	(589)	-6%
<i>Opex as a % of net customer service margin</i>	<b>41%</b>	41%	
<b>EBITDA</b>	<b>712</b>	663	+7%
<i>EBITDA Margin %</i>	<b>39%</b>	35%	
<b>Depreciation &amp; Amortisation</b>	<b>(292)</b>	(265)	-10%
<b>EBIT</b>	<b>420</b>	398	+6%
<b>Capex</b>	<b>(252)</b>	(349)	+28%
<b>EBITDA less Capex</b>	<b>460</b>	314	+46%

	2013	2012
Total registered customer base (millions)	1.0	0.9
Total active customer base (millions)	1.0	0.8
Contract customers as a % of the total registered customer base	71%	75%
Contract customers' contribution to the net customer service revenue base (%)	77%	84%
Average monthly churn rate of the total contract registered customer base (%)	2.4%	3.4%
Active contract customers as a % of the total contract registered customer base	100%	100%
Active customers as a % of the total registered customer base	98%	99%

In Denmark, where the Group has a 60% interest, EBITDA of DKK712 million was an increase of 7% over 2012, mainly due to a 7% improvement on net customer service margin. This was due to a 19% increase in the active customer base, partly offset by a 6% lower net AMPU due to keen market competition and reduction in the interconnection rates. This improvement was partly offset by higher depreciation and amortisation due to an increased number of sites, resulting in an EBIT of DKK420 million, a 6% increase over last year.

Austria

	2013 EUR millions	2012 EUR millions	Change
<b>Total Revenue</b>	<b>745</b>	361	+106%
- Net customer service revenue	<b>596</b>	242	+146%
- Handset revenue	<b>129</b>	100	+29%
- Other revenue	<b>20</b>	19	+5%
<b>Net Customer Service Margin</b>	<b>459</b>	159	+189%
<i>Net customer service margin %</i>	<b>77%</b>	66%	
<b>Other Margin</b>	<b>18</b>	13	+38%
Total CACs	<b>(162)</b>	(114)	-42%
Less: Handset revenue	<b>129</b>	100	+29%
Total CACs (net of handset revenue)	<b>(33)</b>	(14)	-136%
<b>Operating Expenses</b>	<b>(262)</b>	(108)	-143%
<i>Opex as a % of net customer service margin</i>	<b>57%</b>	68%	
<b>EBITDA</b>	<b>182</b>	50	+264%
<i>EBITDA Margin %</i>	<b>30%</b>	19%	
Depreciation & Amortisation	<b>(76)</b>	(34)	-124%
<b>EBIT</b>	<b>106</b>	16	+563%
Capex (excluding licence)	<b>(117)</b>	(26)	-350%
EBITDA less Capex	<b>65</b>	24	+171%
Licence	<b>(331)</b>	–	NA

	2013	2012
Total registered customer base (millions)	<b>3.4</b>	1.7
Total active customer base (millions)	<b>2.8</b>	1.3
Contract customers as a % of the total registered customer base	<b>73%</b>	68%
Contract customers' contribution to the net customer service revenue base (%)	<b>94%</b>	93%
Average monthly churn rate of the total contract registered customer base (%)	<b>0.7%</b>	0.2%
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>83%</b>	78%

EBITDA and EBIT of €182 million and €106 million increased 264% and 563% respectively from 2012 mainly due to the incremental revenue following the completion of Orange Austria acquisition in January 2013, partly offset by a corresponding increase in the cost base. The realisation of operational synergies and efficiencies from the acquisition is progressing well and within expectations.

**3** Austria successfully acquired one block of 5 MHz of 900 MHz paired spectrum and four blocks of 5 MHz of 1800 MHz paired spectrum in the auction held in Austria in 2013 at a cost of €331 million to enhance its 3G and 4G (LTE) network.

## Ireland

	2013 EUR millions	2012 EUR millions	Change
<b>Total Revenue</b>	<b>180</b>	174	+3%
- Net customer service revenue	<b>149</b>	141	+6%
- Handset revenue	<b>30</b>	30	-
- Other revenue	<b>1</b>	3	-67%
<b>Net Customer Service Margin</b>	<b>116</b>	93	+25%
<i>Net customer service margin %</i>	<b>78%</b>	66%	
<b>Other Margin</b>	<b>-</b>	1	-100%
Total CACs	<b>(48)</b>	(51)	+6%
Less: Handset revenue	<b>30</b>	30	-
Total CACs (net of handset revenue)	<b>(18)</b>	(21)	+14%
Operating Expenses	<b>(90)</b>	(92)	+2%
<i>Opex as a % of net customer service margin</i>	<b>78%</b>	99%	
<b>EBITDA (LBITDA)</b>	<b>8</b>	(19)	+142%
<i>EBITDA (LBITDA) Margin %</i>	<b>5%</b>	-13%	
Depreciation & Amortisation	<b>(37)</b>	(26)	-42%
One-time Item	<b>-</b>	45	-100%
<b>LBIT</b>	<b>(29)</b>	-	NA
Capex (excluding licence)	<b>(47)</b>	(39)	-21%
EBITDA (LBITDA) less Capex	<b>(39)</b>	(58)	+33%
Licence	<b>(25)</b>	(51)	+51%

	2013	2012
Total registered customer base	<b>961,000</b>	819,000
Total active customer base	<b>548,000</b>	477,000
Contract customers as a % of the total registered customer base	<b>37%</b>	45%
Contract customers' contribution to the net customer service revenue base (%)	<b>75%</b>	79%
Average monthly churn rate of the total contract registered customer base (%)	<b>1.2%</b>	1.2%
Active contract customers as a % of the total contract registered customer base	<b>89%</b>	82%
Active customers as a % of the total registered customer base	<b>57%</b>	58%

EBITDA of €8 million represents a turnaround of 142% from the LBITDA of €19 million in 2012, mainly due to the improved net customer service margin arising from a 15% increase in its active customer base, 5% higher net AMPU and lower total CACs (net of handset revenue). However, LBIT of €29 million was adverse to the breakeven EBIT position in 2012, mainly due to a one-time net gain of €45 million from a network sharing arrangement recognised last year, together with higher depreciation and amortisation in 2013 as the network rollout continued during the year.

## Hutchison Telecommunications Hong Kong Holdings

	2013 HK\$ millions	2012 <sup>(1)</sup> HK\$ millions	Change
Total Revenue	12,777	15,536	-18%
EBITDA	2,758	3,050	-10%
EBIT	1,367	1,744	-22%
Total active customer base ('000)	3,771	3,776	-0%

Note 1: 2012 EBITDA and EBIT have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

HTHKH announced its 2013 turnover of HK\$12,777 million and profit attributable to shareholders of HK\$916 million, an 18% and a 25% decrease respectively over last year. EBITDA of HK\$2,758 million and EBIT of HK\$1,367 million decreased 10% and 22% respectively against 2012. HTHKH contributed 3% to both total revenue and EBITDA, and 2% to the EBIT of the Group's businesses.

The mobile operations in Hong Kong and Macau reported a 24% decrease in combined turnover to HK\$9,359 million in 2013, while EBITDA and EBIT decreased by 24% and 33% respectively. The adverse performances in 2013 were attributed to the intensified market competition, lower demand for new handset models and the impact of the transition to a non-subsidised handset model which was only completed in the first half of 2013. The combined mobile customer base, on an active basis, was approximately 3.8 million as at 31 December 2013, similar to last year.

The fixed-line telecommunications business in Hong Kong continues to achieve steady growth with increasing data traffic across all market segments in Hong Kong, reporting a 7% increase in turnover to HK\$3,880 million in 2013 compared to HK\$3,640 million in 2012, while EBITDA and EBIT improved by 19% and 32% respectively mainly due to additional demand for data transmission in the corporate and business markets.

## Hutchison Asia Telecommunications

	2013 HK\$ millions	2012 HK\$ millions	Change
Total Revenue	6,295	4,452	+41%
EBITDA	819	423	+94%
LBIT	(409)	(846)	+52%
Total active customer base ('000)	43,497	35,391	+23%

HAT consists of the Group's mobile operations in Indonesia, Vietnam and Sri Lanka. HAT contributed 2%, 1% and negative 1% respectively to the total revenue, EBITDA and EBIT of the Group's businesses. Total revenue increased 41% over last year mainly due to the expanded networks and enhanced service offerings across its operations, particularly in Indonesia. EBITDA and LBIT in 2013 include HK\$717 million of compensation contributions (2012: HK\$1,590 million). At 31 December 2013, HAT had an active mobile customer base of approximately 43.5 million.

In Indonesia, the business continues to grow following the completion of the network rollout in the third quarter of 2013. At 31 December 2013, the expanded network in Indonesia extends 3G coverage to 150 cities, covering 86% of the population (2012: 93 cities with 70% population coverage). The active customer base at the end of 2013 increased 40% from last year to over 32.0 million customers. Underlying LBITDA and LBIT improved by 79% and 47% respectively, reflecting a higher contribution from the increased customer base, partly offset by adverse foreign exchange impact as the Indonesian Rupiah depreciated significantly against the Hong Kong Dollar in 2013. The operation achieved positive EBITDA operationally since July 2013.

In Vietnam, the active customer base decreased by 12% over last year due to regulatory changes in the acquisition of customers. Despite this, underlying EBITDA increased 247% from 2012 and achieved positive EBIT in the year with a 354% turnaround from a corresponding LBIT last year as a result of the successful retention of higher quality customers and disciplined cost control. The division's strategy is to manage the business to return and reduce investment cost and to convert from a business co-operation venture to a joint stock company when conditions are conducive.

In Sri Lanka, the active customer base increased by 22% compared to last year and the underlying LBITDA and LBIT improved by 8% and 4% respectively.

## HTAL, share of VHA

	2013 AUD millions	2012 AUD millions	Change
Announced Total Revenue	1,776	2,049	-13%
Announced Loss Attributable to Shareholders	(230)	(394)	+42%

HTAL announced total revenue from its share of 50% owned associated company, VHA, of A\$1,776 million, a 13% decrease over last year, and a loss attributable to shareholders of A\$230 million, an improvement of 42%. VHA's active customer base declined 19% from 31 December 2012 to total over 5.3 million (including MVNOS) at 31 December 2013 as brand perception recovered more slowly than expected. However, the decline in customer numbers, excluding the Crazy John's and 3 brands, stabilised in the third quarter of 2013 and showed a net gain in the fourth quarter.

In 2013, VHA's network improved significantly in its voice and data performance, resiliency and coverage. It has significantly expanded regional coverage with 1,200 new sites and its average 3G data speed has doubled. It has also launched the 4G network in five metropolitan capital cities with speeds comparable to or faster than other networks.

The strategic initiatives that commenced in late 2012 and which included the accelerated investment and upgrade of the network and certain cost rationalisation initiatives, have led to an improvement in VHA's performance, both operationally and financially.