

## HUTCHISON TELECOM REPORTS STRONG FIRST HALF RESULTS AND RECORD PROFITS

### Key Highlights:

- Consolidated mobile customer base surpasses 23 million, up 71% year-on-year
- Turnover increases 48% to HK\$15,666 million
- Profit for the period turns positive to HK\$644 million
- Hong Kong mobile operation returns to positive operating profit
- Thailand turns EBITDA positive

### Financial highlights:

	First half 2006 HK\$' millions (unaudited)	First half 2005 HK\$' millions (restated)	Change %
Turnover	15,666	10,594	48%
Operating profit before disposal of investments and others	2,302	974	136%
Profit / (Loss) for the period	644	(220)	-
Profit / (Loss) attributable to equity holders of the Company	2	(370)	-
Earnings / (Loss) per share	HK\$0.00	HK\$(0.08)	-

(Hong Kong, 16 August 2006) Hutchison Telecommunications International Limited ("Hutchison Telecom", the "Company" or the "Group"; SEHK: 2332, NYSE: HTX) today reported strong first half results. Turnover increased 48%, operating profit more than doubled and the Group recorded its highest profit for the period compared to a loss in the same period last year. As a result the Group recorded its first profit attributable to equity holders of the Company.

Commenting on the results, Dennis Lui, Chief Executive Officer of Hutchison Telecom said: "I am delighted to report record results for the first half of 2006, which includes a profit for the period of HK\$644 million. This confirms that the strategies we implemented in 2005 have successfully resulted in sustained growth and improved performance during the period. Together with our stringent cost policies, aggressive network expansion plans and commitment to leading-edge customer service, we are driving profit improvements which position us to achieve our targets for 2006."

"I am particularly pleased to see the operation in Thailand achieve the key milestone of positive EBITDA and that we have a welcome return to operating profit at the mobile operation in Hong Kong," he continued.

## **Group and Key Markets Review**

The increase in turnover was driven primarily by the growth in India, which contributed 45% of the Group's turnover of HK\$15,666 million.

Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") increased 61% to HK\$4,759 million, while the EBITDA margin improved to 30.4% compared to 27.9% in the corresponding period in 2005.

Operating profit for the period more than doubled to HK\$2,302 million. This impressive performance was a result of greater contributions from the Group's operations in India and Israel, the return to profitability for the mobile operation in Hong Kong and the reduction of loss from the operation in Thailand.

Profit for the period was HK\$644 million compared to a loss of HK\$220 million last year. The Group is pleased to report its first profit attributable to equity holders of the Company.

The network roll-out of the Group's start-up operations in Vietnam and Indonesia are progressing and both operations are targeting to launch during 2006.

## **Operations review**

### **India**

- **Customer base increases to 17.5 million - 108% year-on-year growth**
- **Turnover increases 50.9% to HK\$7,085 million**
- **EBITDA increases 46.7% to HK\$2,316 million**

Hutchison Essar, the Group's Indian business reported excellent results in the first half of 2006. Record customer growth fuelled by Hutchison Essar's aggressive network expansion and the introduction of several new tariff plans were the key drivers for growth in the period. Turnover increased to HK\$7,085 million, an increase of approximately 51% year-on-year which mirrored the doubling of the customer base and the integration of BPL operations in Maharashtra, Tamil Nadu and Kerala ("BPL Circles") since January 2006. Excluding the first time inclusion of BPL Circles, like for like turnover increased approximately 39%.

The EBITDA margin of 32.7% for the first half of 2006 reflected underlying margin improvement in the existing 13 licence areas, which was offset by a lower margin in the newly acquired BPL Circles. Excluding the effect of BPL Circles acquisition, EBITDA margins improved to 34.3%, compared to 32.4% in 2005 and 31.3% in the second half of last year.

### **Hong Kong and Macau**

- **Combined turnover increases to HK\$3,138 million**
- **EBITDA grows to HK\$1,075 million**

The Hong Kong business returned to profitability reporting operating profit of HK\$200 million in the first six months of 2006. The results of the mobile business improved significantly recording an operating profit compared to an operating loss in the same period last year.

### ***Hong Kong and Macau mobile***

- **Customer base increases to 2.1 million**
- **Turnover increases 7% to HK\$1,975 million**
- **EBITDA increases approximately 58% to HK\$639 million**

The Group's mobile business in Hong Kong maintained its position as the leading 3G operator, and today has over 600,000 3G customers. Despite an extremely high wireless market penetration rate, the business increased its customer base over 9% by offering the largest selection of 3G handsets, a wide variety of entertainment choices and the territory's most extensive 3G network.

Ongoing cost controls combined with solid revenue growth produced a 58% increase in EBITDA and improved EBITDA margins of 32.4% for the period. As a result, the business returned to profitability posting operating profit of HK\$71 million, compared to a loss of HK\$148 million in the same period last year.

### ***Hong Kong fixed line***

- **Turnover increases 10.3% year-on-year to HK\$1,163 million**
- **EBITDA increases to HK\$436 million**

The Group's fixed line business in Hong Kong reported an increase in turnover of over 10% driven primarily by growth in international and local data services as well as residential broadband services. EBITDA increased to HK\$436 million with an EBITDA margin of 37.5%.

The operation remains fully committed to enhancing its state-of-the-art fibre-optic network, which will better serve Hong Kong's present and future needs. Next generation network technologies are being deployed to provide a solid platform to meet increasing demand for integrated voice, data and video services

### **Israel**

- **Customer base increases to 2.6 million**
- **Turnover increases to HK\$4,569 million**
- **EBITDA increases 5% to HK\$1,507 million**

Our Israeli operation, Partner Communications Company Limited ("Partner"), recorded impressive operating results in the first six months of 2006. The company reported a healthy increase in the customer base and average minutes of use amidst intense competition.

EBITDA and EBITDA margins improved in line with the growth in turnover and operating profit contribution increased to HK\$779 million.

Partner released its 2006 second quarter financial results on 27 July 2006.

### **Thailand**

- **Customer base increases to 738,000**
- **Turnover of HK\$530 million**
- **Positive EBITDA of HK\$49 million**

Considerable work has been undertaken in Thailand, streamlining the operations and re-orientating the business focus to better address the market. The efforts made by the management to bring operational efficiency to the business over the last year resulted in improved operating and financial results, including its first positive EBITDA for the period.

## Outlook

The Group has seen a strong performance in the first half of 2006 and many of the fundamentals are in place for a continuation of that performance in the second half of 2006.

Customer growth in the first half was in line with our expectations and, provided there is no slowing of the momentum in India, we expect that to continue in the second half. We maintain our March 2006 outlook of double-digit turnover growth in 2006. Accordingly, we do not expect any change to the outlook on EBITDA and EBITDA margins.

Our network expansion is continuing at a rapid pace, particularly in India. We maintain our outlook of capital expenditure of HK\$13.5 billion to HK\$14.5 billion for the full year although there may be some lag in booking capital expenditure that may result in some of the planned capital expenditure flowing over into 2007.

The Group achieved a small profit attributable to equity holders in the first half of 2006. The extent to which this is sustained in the second half of 2006 will depend on the timing of the launch of operations in Indonesia and Vietnam, both of which are scheduled for the second half of 2006.

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Notes to editors:

### **About Hutchison Telecommunications International Limited**

Hutchison Telecommunications International Limited (Hutchison Telecom or the Group) is a leading global provider of telecommunication services.

The Group currently offers mobile and fixed-line telecommunication services in Hong Kong and mobile services in Macau, India, Israel, Thailand, Sri Lanka and Ghana. It has plans to commence commercial service in Vietnam and Indonesia. It was the first provider of 3G mobile services in Hong Kong and operates brands including "Hutch", "3" and "Orange".

Hutchison Telecom is a listed company with American Depositary Shares quoted on the New York Stock Exchange under the ticker HTX and shares listed on the Stock Exchange of Hong Kong under the stock code 2332.

A member of the Hong Kong-based Hutchison Whampoa Group, Hutchison Telecom is dedicated to providing superior telecommunications services in markets with high growth potential. For more information about Hutchison Telecom, see [www.htil.com](http://www.htil.com).

### **Disclaimer:**

#### **Non-GAAP Measures**

While non-GAAP (generally accepted accounting principles) measures such as EBITDA and LBITDA are often used by companies as an indicator of operating performance, they are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally because the Group has historically reported certain non-GAAP results to

investors, the Group considers the inclusion of non GAAP measures provides consistency in our financial reporting.

**Forward-looking statements:**

This press release contains forward-looking statements. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks, uncertainties and assumptions. The Company cautions you that if these risks or uncertainties ever materialise or the assumptions prove incorrect, or if a number of important factors occur or do not occur, the Company's actual results may differ materially from those expressed or implied in any forward-looking statement. Additional information as to factors that may cause actual results to differ materially from the Company's forward-looking statements can be found in the Company's filings with the United States Securities and Exchange Commission.

Customer Base	Q2 2006 30 June 2006			Q1 2006 31 March 2006			Q4 2005 31 December 2005			Q3 2005 30 September 2005			Q2 2005 30 June 2005		
	Total ('000)	Postpaid ('000)	Prepaid ('000)	Total ('000)	Postpaid ('000)	Prepaid ('000)	Total ('000)	Postpaid ('000)	Prepaid ('000)	Total ('000)	Postpaid ('000)	Prepaid ('000)	Total ('000)	Postpaid ('000)	Prepaid ('000)
Hong Kong (incl Macau)	2,065	1,431	634	2,009	1,398	611	1,971	1,365	606	1,920	1,341	579	1,890	1,316	574
India	17,544	3,024	14,520	15,361	2,899	12,462	11,413	2,535	8,878	9,709	2,455	7,254	8,441	2,364	6,077
Israel	2,585	1,817	768	2,560	1,798	762	2,529	1,775	754	2,480	1,741	739	2,409	1,690	719
Thailand	738	329	409	747	346	401	732	345	387	719	340	379	676	329	348
Others	537			425			296			236			332		
<b>GROUP MOBILE TOTAL</b>	<b>23,469</b>			<b>21,102</b>			<b>16,941</b>			<b>15,064</b>			<b>13,748</b>		

Notes:

- (1) A customer is defined as a Postpaid Customer or a Prepaid Customer who has a Subscriber Identity Module ("SIM") or Universal Subscriber Identity Module ("USIM") that has access to the network for any purpose, including voice, data or video services.
- (2) Postpaid Customers are defined as those whose mobile telecommunications service usage is paid for in arrears upon receipt of the mobile telecommunications operator's invoice and who have not been temporarily or permanently suspended from service.
- (3) Prepaid Customers are defined as customers with prepaid SIM cards or prepaid USIM cards that have been activated but not been used up or expired at period end. A new prepaid customer is recognised upon making the first call or registration/activation.
- (4) All numbers quoted on the basis of the total customer base of the operation irrespective of the Company's ownership percentage.
- (5) All numbers quoted as at last day of the quarter.
- (6) The data for Hong Kong and Israel relate to both 2G and 3G services.
- (7) "Others" is currently comprised of Ghana and Sri Lanka. "Others" in Q2 2005 was comprised of Ghana, Paraguay and Sri Lanka.

ARPU <sup>1</sup>	Country	Currency	Q2 2006 30 June 2006			Q1 2006 31 March 2006			Q4 2005 31 December 2005			Q3 2005 30 September 2005			Q2 2005 30 June 2005		
			Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Hong Kong (incl Macau)	HKD	152	206	28	147	199	28	153	204	34	154	207	33	154	209	31	
India	INR	433	1,116	283	454	1,118	285	511	1,155	310	518	1,106	305	554	1,150	316	
Israel	NIS	158			152			148			162			157			
Thailand	THB	582	961	265	643	1,000	332	627	969	321	623	941	331	690	1,011	293	
Others	USD	5.65			5.91			6.25			6.76			9.17			

Notes:

- (1) Average Revenue Per User ("ARPU") is calculated as the total Service Revenues for the period divided by the weighted average number of activated customers for the period.
- (2) Service Revenues are defined as the direct recurring service revenues plus roaming revenues.
- (3) The data for Hong Kong and Israel relate to both 2G and 3G services.
- (4) "Others" is currently comprised of Ghana and Sri Lanka. "Others" in Q2 2005 was comprised of Ghana, Paraguay and Sri Lanka.

MOU <sup>1</sup>	Country	Q2 2006 30 June 2006			Q1 2006 31 March 2006			Q4 2005 31 December 2005			Q3 2005 30 September 2005			Q2 2005 30 June 2005		
		Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Hong Kong (incl Macau)		460	643	47	451	628	47	455	632	50	454	628	51	423	593	46
India		392	804	301	378	753	282	385	728	278	369	687	254	351	654	230
Israel		307			301			287			306			296		
Thailand		684	901	503	668	880	483	662	861	484	659	822	509	579	743	410
Others		131			129			138			145			140		

Notes:

- (1) Minutes of Use ("MOU") are calculated as the total minutes carried over the network (2G total airtime usage + 3G voice and video usage, including both inbound and outbound roaming) for the period divided by the weighted average number of activated customers for the period.
- (2) The MOU for Thailand as reported in Q1 2006 and prior quarters excluded the incoming minutes carried over the network as customers in Thailand are not being charged for the incoming minutes carried over the network. To be in line with other telecommunications operators, the MOU of Thailand have been restated to include the incoming minutes carried over the network. Had the previous computation of MOU been used, the MOU for Thailand would be as follows:

MOU	Country	Q2 2006 30 June 2006			Q1 2006 31 March 2006			Q4 2005 31 December 2005			Q3 2005 30 September 2005			Q2 2005 30 June 2005		
		Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
	Thailand	402	593	242	414	593	258	418	586	267	396	529	273	341	468	212

- (3) The data for Hong Kong and Israel relate to both 2G and 3G services.
- (4) "Others" is currently comprised of Ghana and Sri Lanka. "Others" in Q2 2005 was comprised of Ghana, Paraguay and Sri Lanka.

Churn <sup>1</sup>	Country	Q2 2006 30 June 2006			Q1 2006 31 March 2006			Q4 2005 31 December 2005			Q3 2005 30 September 2005			Q2 2005 30 June 2005		
		Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Hong Kong (incl Macau)		3.9%	2.0%	7.3%	4.5%	2.0%	8.7%	4.2%	2.2%	7.5%	4.7%	2.5%	8.3%	4.0%	2.0%	7.0%
India		5.1%	5.0%	5.1%	5.2%	5.2%	5.2%	5.7%	5.2%	5.8%	5.5%	5.5%	5.5%	6.1%	5.1%	6.5%
Israel		1.4%			1.4%			1.0%			1.1%			1.2%		
Thailand		6.9%	5.1%	8.5%	5.4%	3.4%	7.2%	6.4%	3.8%	8.8%	6.3%	3.8%	8.5%	7.9%	4.4%	11.7%
Others		2.0%			2.1%			3.9%			3.4%			3.1%		

Notes:

- (1) Churn % represents the average of the monthly churn rates in the period, which are calculated as the average number of disconnections (net of reconnection and internal migration between networks) for the period divided by the weighted average number of activated customers for the period.
- (2) The data for Hong Kong and Israel relate to both 2G and 3G services.
- (3) "Others" is currently comprised of Ghana and Sri Lanka. "Others" in Q2 2005 was comprised of Ghana, Paraguay and Sri Lanka.

**HUTCHISON TELECOMMUNICATIONS INTERNATIONAL LIMITED**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE**

	<b>As restated 2005</b>	<b>Unaudited 2006</b>	<b>Unaudited 2006</b>
	<b>HK\$ millions</b>	<b>HK\$ millions</b>	<b>US\$ millions</b>
<b>Continuing operations:</b>			
Turnover	10,594	15,666	2,016
Cost of inventories sold	(729)	(567)	(73)
Staff costs	(970)	(1,265)	(163)
Depreciation and amortisation	(1,985)	(2,457)	(316)
Other operating expenses	(5,936)	(9,075)	(1,168)
<b>Operating profit before disposal of investments and others</b>	<b>974</b>	<b>2,302</b>	<b>296</b>
Loss on disposal of investments and others	(295)	(1)	—
<b>Operating profit</b>	<b>679</b>	<b>2,301</b>	<b>296</b>
Interest and other finance costs, net	(686)	(1,326)	(171)
Share of results of associates	88	(1)	—
<b>Profit before taxation</b>	<b>81</b>	<b>974</b>	<b>125</b>
Current taxation charge	(106)	(360)	(46)
Deferred taxation (charge) / credit	(179)	30	4
<b>(Loss) / profit from continuing operations</b>	<b>(204)</b>	<b>644</b>	<b>83</b>
<b>Discontinued operations:</b>			
Loss from discontinued operations	(16)	—	—
<b>(Loss) / profit for the period</b>	<b>(220)</b>	<b>644</b>	<b>83</b>
<b>Attributable to:</b>			
Equity holders of the Company:			
- continuing operations	(354)	2	—
- discontinued operations	(16)	—	—
	(370)	2	—
Minority interest – continuing operations	150	642	83
	(220)	644	83
Dividends	—	—	—
<b>(Loss) / earnings per share from continuing operations attributable to equity holders of the Company for the period:</b>			
- basic	HK\$ (0.08)	HK\$ 0.00	US\$ 0.00
- diluted	N/A	HK\$ 0.00	US\$ 0.00
<b>Loss per share from discontinued operations attributable to equity holders of the Company for the period:</b>			
- basic	HK\$ (0.00)	N/A	N/A
- diluted	N/A	N/A	N/A

**HUTCHISON TELECOMMUNICATIONS INTERNATIONAL LIMITED**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

	As at		
	Audited	Unaudited	Unaudited
	31 December 2005	30 June 2006	30 June 2006
	HK\$ millions	HK\$ millions	US\$ millions
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2,436	2,988	385
Restricted cash	1	1	—
Trade and other receivables	10,009	10,996	1,415
Stocks	688	517	67
Derivative financial assets	9	16	2
<b>Total current assets</b>	<b>13,143</b>	<b>14,518</b>	<b>1,869</b>
<b>Non-current assets</b>			
Fixed assets	24,591	27,543	3,545
Goodwill	9,688	15,836	2,038
Other intangible assets	9,182	10,586	1,363
Other non-current assets	1,651	2,505	322
Deferred tax assets	918	933	120
Associated companies	2	2	—
Long-term deposits	416	408	53
<b>Total non-current assets</b>	<b>46,448</b>	<b>57,813</b>	<b>7,441</b>
<b>Total assets</b>	<b>59,591</b>	<b>72,331</b>	<b>9,310</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10,535	11,537	1,485
Borrowings	7,690	15,475	1,992
Current income tax liabilities	130	195	25
Derivative financial liabilities	116	212	27
<b>Total current liabilities</b>	<b>18,471</b>	<b>27,419</b>	<b>3,529</b>
<b>Non-current liabilities</b>			
Borrowings	19,002	19,989	2,573
Deferred tax liabilities	963	993	128
Other non-current liabilities	1,333	2,693	347
<b>Total non-current liabilities</b>	<b>21,298</b>	<b>23,675</b>	<b>3,048</b>
<b>Total liabilities</b>	<b>39,769</b>	<b>51,094</b>	<b>6,577</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	1,188	1,188	153
Reserves	14,982	14,745	1,897
	16,170	15,933	2,050
Minority interest	3,652	5,304	683
<b>Total equity</b>	<b>19,822</b>	<b>21,237</b>	<b>2,733</b>
<b>Total equity and liabilities</b>	<b>59,591</b>	<b>72,331</b>	<b>9,310</b>
<b>Net current liabilities</b>	<b>5,328</b>	<b>12,901</b>	<b>1,660</b>
<b>Total assets less current liabilities</b>	<b>41,120</b>	<b>44,912</b>	<b>5,781</b>