



**Hutchison Telecommunications  
(Australia) Limited**

ABN 15 003 677 227  
Building A, 207 Pacific Highway  
St Leonards NSW 2065  
Tel: 02 9964 4646  
Fax: 02 9964 4668  
[www.hutchison.com.au](http://www.hutchison.com.au)

## Media Release

### **3 Grows Strongly - Double Digit Increases in Customer Base & Revenue**

**Customer base up 27% to 1.578 million  
Revenue up 25% to \$1.318 billion  
EBITDA of \$114 million  
Plans to exit 2008 EBIT positive**

**Sydney, 26 February 2008:** Hutchison Telecommunications (Australia) Limited (ASX:HTA) today announced a strong improvement to the Company's operating performance and financial position. For the full year ended 31 December 2007, Hutchison Telecoms recorded a 27% increase in customer growth to 1.578 million customers, and revenue growth of 25% to \$1.318 billion. Non-voice contribution continued to strengthen following the launch of new services including high speed mobile broadband.

Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) improved by \$83.8 million to \$114 million, and the net loss position improved by \$474 million to \$285 million. With growth expected to continue, Hutchison plans to exit 2008 EBIT positive.

"Our focus remains firmly on continuing to see 3's strong operating performance flow through to the bottom line. With 3 benefiting from its innovative approach to mobile broadband, content and new services, in a highly aggressive market we expect our performance to continue to strengthen. Exiting 2008 EBIT positive is an important financial milestone," said Nigel Dews, Chief Executive Officer, Hutchison Telecoms.

During 2007 3's customer base grew by 333,000 to 1.578 million, 89% of which are post-paid customers. 3 maintained its low level of customer churn at 1.1%.

3's strong focus on non-voice services resulted in non-voice ARPU rising 6.3% to \$18.31. 3G specific non-voice ARPU (excluding SMS) rose 11.3% to \$7.77. Total margin increased by 29.5% to \$911.9 million.

"3's innovation in mobile and mobile broadband is delivering rapid growth in customer base and revenues. In a market with reduced termination rates, we've maintained our margins and established an early leadership position in mobile broadband," said Mr Dews.

In March 3 launched X-Series. For the first time this brought services previously reserved for the PC to the mobile with generous data allowances. In July, following completion of the HSDPA network upgrade, 3 launched extremely competitive mobile broadband pricing for its USB modem and card product and in December introduced a half price mobile broadband promotion. At the end of December, 195,000 subscribers had a mobile broadband USB modem or card, an X-Series subscription or were using their mobile phone as a modem – a 138% increase in just 6 months.

In October 3 launched the exclusive 3 Skypephone, the first free VoIP service on a mobile, giving customers thousands of free Skype-to-Skype minutes at the touch of a button. During 2007 3 continued to deliver popular content services on its Planet 3 portal including mobile TV, music, sport and news. In total, customers experienced 120 million content events in 2007, up from 92.5 million in 2006. 64% of 3's customers paid for at least one content event each month, up from 56% in 2006. 3's mobile TV continued to expand with new programs including South Park and the



ABC's Summer Heights High. 3's Games product was redesigned and 1.65 million games were downloaded. 3's Music product was also redesigned and 5.7 million music events were experienced.

Having completed the recapitalisation of the Company during 2007, and with continued strong performance, the Company's financial position improved significantly. EBITDA of \$114 million is up 277.5% and the Company's net loss position has reduced by 62.5% to \$285.1 million. Hutchison exited the year operating cash flow positive.

"3 is in a very strong position and in 2008 we expect to further benefit from our leadership in 3G and we remain clear on our priorities of growth in our customer base and margin," said Mr Dews.

**Financial and operating highlights include:**

(all percentage increases year on year unless otherwise stated)

- Customer base increased by 333,000
- 1.578 million active customers, an increase of 27%. 89% of the base are post paid
- 195,000 mobile broadband subscriptions, up 138% in 6 months
- 25% increase in total revenue to \$1.318 billion
- ARPU of \$68.61 with non-voice ARPU of \$18.31, up 6.3%
- Non-voice ARPU excluding SMS of \$7.77 up 11.3%
- Total margin of \$911.9 million up 29.5%
- Average margin per customer \$52.13
- Average non-voice margin per customer \$11.97, up 2.8%
- \$114 million positive EBITDA, an increase of \$83.8 million
- Net loss of \$285.1 million – a \$474 million improvement

**Non-voice service usage highlights include:**

- 120 million content events were experienced
- Over 1.65 million games downloaded
- Over 5.7 million music events experienced
- 64% of 3's customers paid for at least one content event each month, up from 56% in 2006.
- 195,000 subscriptions to Broadband services (inc X-Series, Mobile Broadband card & USB and handset as a modem)

- Ends -

**For more information, contact:**

Edwina Elliott  
Media Relations Manager  
02 9964 5157  
0412 431 635

Liz Rex  
Investor Relations Manager  
02 9964 4831  
0433 407 318