

**Hutchison Telecom Announces 2008 Full Year Results**
**Key Highlights of 2008 Full Year Results:**

- Group mobile customer base grew approximately 28% to over 12 million
- Turnover increased over 16% to approximately HK\$24 billion
- EBITDA rose approximately 17% to over HK\$6.1 billion
- Operating profit turned positive to approximately HK\$4.1 billion
- Indonesian operation surpassed all operational targets
- Vietnamese operation to launch GSM during March 2009

**Financial Results Highlights:**

	2007	2008	Change
	HK\$ million	HK\$ million	%
Turnover	20,401	23,725	+16.3%
Operating profit / (loss)	(2,819)	4,060	
Profit for the year	67,776	2,919	
Profit attributable to equity holders of the Company	66,884	1,883	
Basic earnings per share attributable to equity holders of the Company	HK\$14.01	HK\$0.39	

**Hong Kong, 4 March 2009** - Hutchison Telecommunications International Limited ('Hutchison Telecom'; 'the Group'; 'the Company'; SEHK:2332; NYSE: HTX) today announced the financial results for the full year ended 2008 and quarterly key performance indicators for the fourth quarter of 2008. Driven by the strong growth in total customer base and increased revenue contributions from established operations in Hong Kong and Israel, the Group reported an increase of over 16% in total turnover to approximately HK\$24 billion and an increase of 16.8% in earnings before interest, tax, depreciation and amortisation ('EBITDA') to HK\$6,138 million. EBITDA margin for the full year 2008 trended up slightly to 25.9% while operating profit, on a like-for-like basis and after excluding several one-off items recorded in 2008, jumped 29.1% to HK\$2,092 million reflecting the continued improvement in the fundamentals for profitable growth.

Excluding Vietnam and Ghana, the Group registered approximately 28% yearly growth in its total customer base in 2008, driven mainly by strong customer acquisition in Indonesia and the continued expansion of its 3G customer bases in Hong Kong and Israel. These, together with the sustained revenue contribution from Hong Kong's fixed-line operation, led to a 16.3% growth to HK\$24 billion in the Group's total turnover. Although the Group reported increased expenses incurred from network expansion in Indonesia and GSM rollout in Vietnam in 2008, the strong revenue growth as a whole diluted the impact bringing a 16.8% yearly increase to EBITDA. In terms of profitability, the Group's EBITDA margin was 25.9% mainly reflecting the impact of the suspension of revenue contribution from the Vietnamese operation since March 2008 due to the new GSM network rollout.

Several one-off transactions occurred in 2008 taking operating profit to HK\$4,060 million compared to an operating loss of HK\$2,819 million in 2007. These one-off transactions included tower sale in Indonesia\* and the disposal of its indirect interest in Ghana. Excluding these the Group's operating profit rose 29.1% to HK\$2,092 million, reflecting the significant improvement of operating profit from Israeli, Hong Kong and Thailand operations which offset increased losses from Indonesia and Sri Lanka.

Profit for the year was HK\$2,919 million and profit attributable to equity holders of the Company was HK\$1,883 million. The related figures for 2007 included the sale of the Company's indirect interest in CGP Investments (Holdings) Limited.

Dennis Lui, Chief Executive Officer of Hutchison Telecom said: 'We are pleased to have delivered a set of satisfying results in a year full of challenges. Particularly our Indonesian operation achieved encouraging customer growth and improved operational performance amidst intense market competition. We expect to see this positive trend sustained in 2009 as our network expansion continues. Our Vietnamese operation is set to launch a nationwide GSM service this month with a network covering all major cities in Vietnam. Together these two markets will be the key impetus for growth for Hutchison Telecom.'

"The impact of the global economic uncertainty is yet to be fully seen in telecommunications industry. We continue to be watchful of the potential challenges. Our operation in Israel embarked on a series of cost-management initiatives last year to enable it to maintain its operating efficiency. We will apply this approach across all operations to support profitable growth." said Mr Lui.

Chris Foll, Chief Financial Officer of Hutchison Telecom said: "Excluding Hong Kong and Macau operations, we will invest approximately HK\$7 billion in 2009 with the majority going into the Indonesian and Vietnamese operations."

## **Review of operations**

### **Hong Kong and Macau**

The combined turnover from the Group's fixed-line and mobile businesses in Hong Kong and Macau was HK\$8,069 million, an increase of 11.9% compared to 2007. EBITDA was also up 10.7% at HK\$2,742 million in 2008 with an EBITDA margin of 34.0%.

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

- Blended customer base increased 11.3% yearly to over 2.7 million
- 3G customer base grew 24.2% yearly to 1,340,000
- Turnover and EBITDA increased 12.6% and 11.8% respectively

The Group's mobile operations in Hong Kong and Macau delivered a healthy performance in 2008 despite intense market competition. The Hong Kong operation is the largest 3G service provider in Hong Kong in terms of customer numbers. From this solid base and the first-mover sale of iPhone 3G in Hong Kong and Macau since the third quarter in 2008 both operations were able to stimulate the adoption of mobile data usage. On a yearly basis the non-voice portion of mobile communications service revenue grew 34%, signalling an encouraging trend for profitability growth.

Turnover increased 12.6% yearly to HK\$5,376 million driven mainly by the customer growth. EBITDA for the year was HK\$1,757 million, an increase of 11.8% compared to HK\$1,572 million in 2007. The EBITDA margin was comparable to last year at 32.7%, a result of the operations' continued focus on operational cost control. Operating profit for the year fell slightly to HK\$432 million compared to HK\$447 million in 2007, mainly due to the amortisation on capitalised customer acquisition and retention costs in the year.

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

- Turnover increased 10.6% yearly to HK\$2,693 million
- EBITDA grew 9% yearly to HK\$985 million and EBITDA margin was 36.6%

Utilising its territory-wide fibre-to-the-building network, the Group's Hong Kong fixed-line operation Hutchison Global Communications Limited ('HGC') was able to maintain healthy and profitable growth in its core business segments including the international and carrier markets as well as corporate and business markets. The international and carrier markets grew year-on-year by 24.8%, fueled by the

growth in demand for data and IDD services. Leveraging its strong foothold in the data and internet businesses for banking, finance and public sectors HGC also recorded good revenue growth in the corporate and business segments with 11.3% yearly increase.

On top of the healthy top-line growth HGC delivered an impressive increase in operating profit of 37.2% year-on-year to HK\$332 million, largely reflecting the growth in turnover and a slight decrease in depreciation and amortisation charges compared to last year.

### **Israel**

- A record year in terms of financial and operational results with EBITDA, cash flow and net profit grew by double digits
- Total customer base rose to 2,898,000 with 3G base enlarged to approximately 1 million
- Diversification of business portfolio in order to establish the foundation for future revenue stream and strengthen market leadership
- Turnover growth of 18.6% assisted by favourable foreign exchange movement

2008 was another profitable year for Partner Communications Company Ltd. ('Partner'). During the year Partner continued to attract high value customers with approximately 84% of its annual net new subscribers coming from the business sector. At the same time with its strong 3G focus Partner was able to expand its 3G customer base by 50.2% to 951,000. These together with management's continued focus on operational efficiency generated record financial results.

During the year Partner embarked on new strategic direction by extending into non-cellular connectivity businesses such as fixed-line services through voice over broadband technology for the business segment, home Wi-Fi networks and multimedia content. These are to ensure Partner stays in the forefront of cross-platform telecommunications businesses.

Turnover growth benefited from the favourable currency exchange and registered a 18.6% growth to HK\$13,813 million. EBITDA increased 30.0% to HK\$4,895 million compared to HK\$3,765 million in 2007 and the margin improved significantly to 35.4% from 32.3% in 2007, mainly due to the increase in 3G revenue growth and profitability. Excluding the mobile telecommunications product business such as handsets and accessories the underlying EBITDA margin from mobile telecommunications services was even higher at 39.4%. Operating profit increased 35.6% to HK\$2,980 million compared to HK\$2,197 million in 2007.

### **Indonesia**

- Customer base more than doubled to 4,501,000
- Accelerated network expansion with over 6,300 base stations on-air

The Group's Indonesian operation PT. Hutchison CP Telecommunications ('HCPT') continued to report good progress in its second year of operation despite a very challenging environment. Total customer base grew over 120% yearly on the back of accelerated network expansion across the country, strong branding and an effective distribution system. HCPT ended the year 2008 with more than 6,300 base stations on-air covering over 67% of the total population and all major cities in the country. It expects to increase the size of its networks to over 9,000 base stations by the end of 2009. HCPT is looking to maintain strong customer acquisition in 2009 in line with its expanded coverage.

HCPT's turnover for the year increased 169.2% to HK\$315 million on the back of customer growth. However, as HCPT is still in the early stage of establishing its footprint and further network expansion and increased marketing activities are required to establish a critical mass of customers, its loss before interest, taxation, depreciation and amortisation ('LBITDA') for 2008 increased to HK\$1,003 million from HK\$475 million in 2007.

Nevertheless 2008 was a successful year for HCPT, as it seeks to become a leading GSM operator in Indonesia. Particularly in the last quarter where there was encouraging improvement in profitability. Through a series of revenue improvement initiatives implemented in the beginning of the second half, HCPT's prepaid average revenue per user ('ARPU') went up 22.2% to IDR11,000 from the last quarter. Together with stabilised minutes of use ('MOU') the average revenue per minute ('ARPM') was lifted to IDR200 compared to IDR177 in the third quarter. Although prepaid churn appeared to have increased to 24.3% this was mainly due to an one-off exercise at the year end that identified and reduced inactive customers. HCPT expects to see churn revert to levels experienced in earlier quarters.

#### **Sri Lanka**

- Customer base stood at 887,000
- Turnover was HK\$160 million

2008 posed severe challenges to Hutchison Telecommunications Lanka (Private) Limited ("HTLL"). Political instability, intensified market competition and new government policy regarding prepaid customer registration contributed to the negative growth in 2008. HTLL had during the year tightened its policy on the recognition of prepaid customers to align with government's new policy which resulted in a write-down of the customer base 229,000 in the third quarter. EBITDA decreased to HK\$37 million in 2008 mainly due to the increase in regulatory charges and higher network costs.

#### **Thailand**

- Customer base was up to 1.1 million
- Turnover increased 22.5% to HK\$1,192 million
- Restored EBITDA to HK\$81 million

The Group is in continued discussions with its partner in Thailand on the future for its regional CDMA operation in Thailand. Meanwhile the business focussed on operating in a self-sustaining financial mode, achieving customer growth to 1.1 million by the end of 2008. Turnover increased to HK\$1,192 million from HK\$973 million in 2007 and EBITDA to HK\$81 million from a LBITDA of HK\$14 million in 2007. Operating profit was HK\$80 million in 2008 compared to operating loss of HK\$4,462 million in the year before when an impairment charge of HK\$3,854 million on non-current assets was taken.

#### **Outlook**

In 2008, the Group reported encouraging results with substantial growth in its established businesses and good progress in network rollout in its emerging market operations. It achieved strong growth in EBITDA and operating profits in Hong Kong and Israel with a total 3G customer base over 2.3 million today, a network with over 67% population coverage in Indonesia and more than 4.5 million customers, and significant progress made in preparation for the launch of its new GSM service in Vietnam in the first quarter 2009.

Looking ahead in 2009, Hutchison Telecom expects that the businesses will continue to perform well, subject to the uncertainties of the global economy. The Group's Hong Kong and Israeli operations will continue to strengthen their leadership in the 3G segment. The successful bid by the Group's Hong Kong mobile operation in conjunction with Hong Kong Telecommunications (HKT) Limited for Broadband Wireless Access radio spectrum in Hong Kong will allow new and enhanced content and services to be made available to its customers in the future. Hutchison Telecom also expects to see further synergies generated through fixed-mobile convergence initiatives between its Hong Kong fixed-line and mobile business in the coming years.

The Group will continue to invest in the Indonesia and Vietnam markets in 2009 and target to increase the size of networks in Indonesia to around 9,000 base stations by the end of the year and 5,000 base stations in Vietnam within the first 12 months of the launch. As the

Group's Indonesian network footprint expands, it expects to see continued and strong growth in existing service areas in Java and Sumatra and expanded market share in new areas in Kalimantan and Sulawesi.

In view of the above development, Hutchison Telecom anticipates the Group's capital expenditure in 2009, excluding Hong Kong and Macau operations to be approximately HK\$7 billion the majority of which is earmarked for Indonesia and Vietnam.

*\*As part of its periodic review of company filing, the U.S. SEC has raised some comments on the accounting treatment of HCPT's sale and leaseback transactions for base station towers in 2008. The Company cannot predict the outcome of this review and it is possible that an adjustment to the Company's accounts may be required to account for the transactions as a finance lease. Further details are in the Company's 2008 results announcement published today.*

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For enquiries, please contact:

Mickey Shiu  
Corporate Communications / Investor Relations  
Hutchison Telecom  
Work: (852) 2128 3107  
Mobile: (852) 9092 8233  
E-mail: [mickeyshiu@htil.com.hk](mailto:mickeyshiu@htil.com.hk)

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

Hutchison Telecommunications International Limited ('Hutchison Telecom' or 'the Group') is a leading global provider of telecommunications services. The Group currently offers mobile and fixed-line telecommunication services in Hong Kong and Israel, and operates mobile telecommunications services in Macau, Indonesia, Vietnam, Sri Lanka and Thailand. It was the first provider of 3G mobile services in Hong Kong and Israel 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 subsidiary of the Hong Kong-based Hutchison Whampoa Group, Hutchison Telecom is dedicated to providing superior telecommunications services in dynamic markets. For more information about Hutchison Telecom, see [www.htil.com](http://www.htil.com).

#### **Cautionary Statements**

This press release contains forward-looking statements. Statements that are not historical facts, including statements about the beliefs and expectations of Hutchison Telecommunications International Limited ('the Company'), 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.

**Unaudited Key Performance Indicators for Fourth Quarter 2008**

Customer Base	Q4 2008 31 December 2008			Q3 2008 30 September 2008			Q2 2008 30 June 2008			Q1 2008 31 March 2008			Q4 2007 31 December 2007		
	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)	2,702	1,792	910	2,657	1,766	891	2,595	1,720	875	2,515	1,698	817	2,427	1,671	756
Indonesia	4,501	11	4,490	3,604	9	3,595	3,203	7	3,196	2,331	4	2,327	2,039	3	2,036
Israel	2,898	2,153	745	2,882	2,145	737	2,856	2,135	721	2,823	2,108	715	2,860	2,068	792
Sri Lanka	887	-	887	958	-	958	1,291	-	1,291	1,289	-	1,289	1,141	-	1,141
Thailand	1,070	413	657	1,094	420	674	1,117	418	699	1,071	405	666	978	372	606
<b>Total</b>	<b>12,058</b>			<b>11,195</b>			<b>11,062</b>			<b>10,029</b>			<b>9,445</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 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) The data for Ghana and Vietnam are excluded.

ARPU <sup>1</sup>	Market	Currency	Q4 2008 31 December 2008			Q3 2008 30 September 2008			Q2 2008 30 June 2008			Q1 2008 31 March 2008			Q4 2007 31 December 2007		
			Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Hong Kong (Incl Macau)	HKD	148	213	19	150	213	24	148	210	24	149	208	24	161	218	28	
Indonesia	IDR ('000)	11	134	11	10	134	9	12	108	12	14	120	14	15	114	15	
Israel	NIS	158			166			158			155			157			
Sri Lanka	LKR	164	-	164	181	-	181	163	-	163	193	-	193	242	-	242	
Thailand	THB	381	762	142	378	763	143	386	784	147	405	808	157	417	813	165	

**Notes:**

- (1) The monthly Average Revenue Per User ("ARPU") is calculated as the total Service Revenues for the month divided by the simple average number of activated customers for the month. The monthly ARPU for the quarter represents the average of the monthly ARPU in the quarter.
- (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) The data for Ghana and Vietnam are excluded.

MOU <sup>1</sup>	Market	Q4 2008 31 December 2008			Q3 2008 30 September 2008			Q2 2008 30 June 2008			Q1 2008 31 March 2008			Q4 2007 31 December 2007		
		Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Hong Kong (Incl Macau)	447	654	38	465	679	42	462	672	42	461	655	43	491	680	49	
Indonesia	55	225	55	56	209	56	82	117	82	94	104	94	83	59	83	
Israel	357			376			368			359			345			
Sri Lanka	74	-	74	71	-	71	54	-	54	60	-	60	69	-	69	
Thailand	619	1,065	339	618	1,095	328	607	1,086	319	632	1,134	324	643	1,110	347	

**Notes:**

- (1) The monthly Minutes of Use ("MOU") is calculated as the total minutes carried over the network (2G total airtime usage + 3G voice and video usage, but excluding inbound on-net minutes) for the month divided by the simple average number of activated customer. The monthly MOU for the quarter represents the average of the monthly MOU in the quarter.
- (2) The data for Hong Kong and Israel relate to both 2G and 3G services.
- (3) The data for Ghana and Vietnam are excluded.

Churn <sup>1</sup>	Market	Q4 2008 31 December 2008			Q3 2008 30 September 2008			Q2 2008 30 June 2008			Q1 2008 31 March 2008			Q4 2007 31 December 2007		
		Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Hong Kong (Incl Macau)	4.8%	1.7%	10.0%	4.3%	1.6%	9.0%	4.0%	1.8%	8.0%	3.5%	1.8%	6.7%	3.3%	1.8%	6.2%	
Indonesia	24.2%	4.1%	24.3%	18.1%	5.3%	18.1%	15.6%	7.9%	15.6%	17.6%	11.0%	17.6%	17.7%	16.3%	17.7%	
Israel	1.5%			1.3%			1.3%			1.7%			1.3%			
Sri Lanka	4.4%	-	4.4%	5.0%	-	5.0%	3.8%	-	3.8%	2.9%	-	2.9%	2.4%	-	2.4%	
Thailand	5.4%	3.1%	6.8%	6.5%	3.0%	8.6%	6.0%	2.9%	7.8%	5.8%	2.7%	7.8%	5.2%	2.8%	6.8%	

**Notes:**

- (1) The monthly churn % is calculated as the average number of disconnections (net of reconnection and internal migration between networks) for the month divided by the simple average number of activated customers for the month. The monthly churn % for the quarter represents the average of the monthly churn rates in the quarter.
- (2) The data for Hong Kong and Israel relate to both 2G and 3G services.
- (3) The data for Ghana and Vietnam are excluded.

The Board wishes to remind investors that the above key performance indicators are based on the Group's unaudited internal records. Investors are cautioned not to unduly rely on such data.