

# Hutchison Telecom Announces 2009 Interim Results

## Key Highlights:

- Group total mobile customers grew 36.5 % year-on-year to approximately 11.6 million
- Substantial increase of customer base in Indonesia to 6.4 million
- Very positive GSM launch in Vietnam with customer acquisitions of 624,000
- Operating profit at HK\$499 million, including one-time gains of HK\$236 million
- Spin-off of Hong Kong and Macau operations released value for shareholders

# Financial Results Highlights:

	Six months en	ded 30 June
	2008	2009
	HK\$ millions	HK\$ millions
Turnover	7,991	6,411
Operating profit	1,859	499
Profit /(Loss) for the period from continuing operations	1,684	(221)
Profit from discontinued operations	279	196
Profit/ (Loss) for the period	1,963	(25)
Profit/ (Loss) attributable to equity holders of the Company	1,165	(285)
Basic earnings/(loss) per share attributable to equity holders of the Company	HK\$0.24	HK\$(0.06)

**Hong Kong, 12 August 2009** - Hutchison Telecommunications International Limited ('Hutchison Telecom'; 'the Group'; 'the Company'; SEHK:2332; NYSE: HTX) today announced the financial results for the six months ended 30 June 2009 and quarterly key performance indicators ('KPIs') for the second quarter of 2009. The Group reported good progress in the emerging markets and continued to deliver sound underlying performance both operationally and financially in a challenging macro environment.

The Group's total customer base increased 36.5% to approximately 11.6 million on a like-for-like basis compared with last year, with the net gain mostly contributed by the Indonesian operation. The Israeli operation maintained its 3G customer growth momentum which drove the 3G customer base to over 1.1 million. The Group's operation in Vietnam successfully launched GSM service under the brand name *Vietnamobile* and started the second quarter with very positive customer acquisitions of approximately 624,000. The Group's strategy of accelerated network rollout produced results during the period. The Indonesian operation launched service in Kalimantan and Sulawesi and continued to deepen the network coverage in Java and Sumatra. The Vietnamese operation increased the number of base stations on-air to approximately 1,500 and is on track to take it to 3,000 by the end of the year.

The Group successfully spun off its Hong Kong and Macau operations in May 2009 to release value for shareholders. The combined share price of the two listed companies was over 50% higher than that of the share price of Hutchison Telecom on the day of the spin-off announcement.

Financially, the Group's first half results were adversely impacted by the depreciation of the New Israeli Shekel ('NIS') against the Hong Kong Dollar ('HKD'). Turnover decreased 19.8% to HK\$6,411 million compared to HK\$7,991 million in the same period last year. Excluding the impact of weaker NIS, the decrease in underlying turnover was 8.2% reflecting primarily the impact of the economic downturn. Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') decreased 38.9% to HK\$1,117 million compared to HK\$1,829 million in the same period last year. Excluding the foreign exchange impact of NIS, EBITDA for the period decreased 20.4%. This was mainly due to the ongoing network rollout in Indonesia that almost double the on-air base stations compared to last June. The loss attributable to equity holders of the Company for the period was HK\$285 million.

Dennis Lui, Chief Executive Officer of Hutchison Telecom, said: "We are pleased to see a sound half year with strong growth in customers and accelerated network rollout in the Company's key operations of Indonesia and Vietnam. In face of the challenging economic conditions in the markets during the period, we continued to improve operational efficiencies and reduce costs. The Group also successfully released value for shareholders with the spin-off of its Hong Kong and Macau operations."

"We are optimistic that the momentum in Indonesia and Vietnam will carry into the remainder of 2009 and the measures taken in Sri Lanka to strengthen its competitive position will produce an improved performance in the second half, " said Mr Lui.

# **Review of Operations**

### Indonesia

- Customer base grew to 6.4 million, more than double on a yearly basis
- Turnover increased 48.7% to HK\$223 million
- Accelerated network expansion with over 7,300 sites and services launched in Kalimantan and Sulawesi

The Group's Indonesian operation PT. Hutchison CP Telecommunications ('HCPT') continued to expand its network footprint in the first half of 2009, along with substantial growth in customers. Against fierce competition the customer base grew 101% on a yearly basis to 6.4 million with a record 1.1 million net additions during the quarter. HCPT expanded its population coverage to approximately 70%, covering Kalimantan and Sulawesi and with services launched in new major cities. The operation is on track to increase its network to 9,000 base stations on-air with a population coverage of over 75% by the end of 2009.

HCPT's turnover for the first half of 2009 increased 48.7% to HK\$223 million. However, as the network expanded so the network operating costs became higher. Its Loss Before Interest, Taxation, Depreciation and Amortisation ('LBITDA') for the first six months of 2009 increased to HK\$764 million, compared to HK\$348 million in the same period last year.

HCPT reported stable KPIs compared with the previous quarter. Prepaid Average Revenue Per User ('ARPU') increased modestly to IDR10,316 from IDR9,963 in the previous quarter. During the first half year, as a result of the reduction in promotional on-net minutes offered, blended Minutes of Use ('MOU') stood at 55 minutes, same as the previous quarter. Blended churn remained high at 24.9%.

### Israel

- Continued to deliver very satisfactory financial results; operating profit was HK\$1,473 million
- Customer base rose to approximately 2,944,000 with double digit growth year-on-year in 3G base surpassing 1.1 million

The 3G customer growth momentum of Partner Communications Company Ltd. ('Partner') was maintained in the first half of 2009, adding 81,000 to 1,102,000 during the quarter, increasing 7.9% quarterly and 32.1% year-on-year.

With the impact of the foreign exchange movement, Partner reported a decrease in turnover by 19.7% year-on-year to HK\$5,610 million for the first six months of 2009. EBITDA decreased 11.7% to HK\$2,093 million compared to HK\$2,369 million in the same period last year. Excluding the NIS foreign exchange impact, the underlying turnover decreased 6.6% and the underlying EBITDA was comparable with the same period last year. This was due to lower roaming activity and, following the Ministry of Communications' mandate of the reduction from 1 January 2009 of the billing interval from 12 seconds to single second, lower voice revenues. The negative impacts on revenues were however partially offset by the 9.8% growth in SMS, content and data services in NIS terms compared to the same period last year.

On the back of an increase in MOU and non-voice revenue, ARPU increased 4.1% to NIS151 in the second quarter. Churn improved to 1.3% from 1.6% in the first quarter and remained stable when compared to the same quarter last year.

#### Vietnam

- Very positive growth rate with a GSM customer base of approximately 624,000
- Increased base stations to approximately 1,500 in June with approximately 65% population coverage
- Target to have 3,000 base stations on-air by end of 2009

The Group's Vietnamese operation *Vietnamobile* recorded very positive first quarter results since the launch of GSM service in the second quarter of 2009. The operation acquired approximately 624,000 customers mostly in the prepaid segment. ARPU was at VND68,000 and MOU were initially high at 221 minutes due to short term promotions that allowed a high volume of on-net minutes. To date, over 1,800 base stations are on-air with 65% population coverage. LBITDA was HK\$125 million in the first half of 2009 and the operating loss for the period was HK\$141 million.

### Sri Lanka

Continue network expansion to increase population coverage to 65% by end of 2009

The first half of 2009 still saw the performance of Hutchison Telecommunications Lanka (Private) Limited severely hampered by adverse economic conditions and fierce competition. Customers declined significantly and the operation turned from EBITDA positive in the same period last year into a LBITDA of HK\$39 million for the first six months of 2009. The operation's customer base at the end of the quarter stood at 536,000 and will continue its network expansion to reach 800 sites and population coverage to 65% by the end of 2009.

### Thailand

The Group remains in discussion about a potential exit for its Thailand operation with CAT Telecom Public Company Limited and has decided to exclude the KPIs of its Thailand operation in the quarterly announcement starting from this quarter.

## Outlook

While the signs of any recovery in the global economy in the second quarter are unclear, the Group remains optimistic about the second half. The performance of the Group's Indonesian and Vietnamese operations in the first half has been above its expectation and both operations will continue to focus on customer growth, accelerate network rollout and increase market share penetration in the second half of the year.

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### About Hutchison Telecommunications International Limited

Hutchison Telecommunications International Limited ('Hutchison Telecom' or 'the Group') is a leading provider of telecommunications services. The Group currently offers mobile and fixed-line telecommunications services in Israel, and operates mobile telecommunications services in Indonesia, Vietnam, Sri Lanka and Thailand. It was the first provider of 3G mobile services in Israel. Its brands include "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 committed to providing superior telecommunications services in dynamic markets. For more information about Hutchison Telecom, see 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.

# Hutchison Telecom

#### Unaudited Key Performance Indicators for Second Quarter 2009

Customer Base	02 2009 30 June 2009			0.1 2009 31 March 2009			04 2008 31 December 2008			30	Q3 2008 September 2	008	02 2008 30 June 2008		
Market	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)
Indonesia	6,434	12	6,422	5,305	12	5,293	4,501	11	4,490	3,604	9	3,595	3,203	7	3,196
Israel	2,944	2,174	770	2,903	2,159	744	2,898	2,153	745	2,882	2,145	737	2,856	2,135	721
Sri Lanka	536	-	536	722	-	722	887	-	887	958	-	958	1,291	-	1,291
Vietnam	624	1	623	>	>	>>	$\sim$	>>	>>	$\geq$	$\sim$	$\sim$	$\sim$	>>	$\sim$

Notes.

A customer is defined as a Postpaid Customer or a Prepaid Customer who has a Subscriber Identitu Module ("SIM") or Universal Subscriber Identitu Module ("USIM") (1)

that has access to the network for any purpose, including voice, data or video services. Postpaid Customers are defined as those whose mobile telecommunications service usage is paid in arrears upon receipt of the mobile telecommunications operator's invoice (2)

and who have not been temporarily or permanently suspended from service. 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. (3)

A new prepaid customer is recognised upon making the first call or registration/activation. All numbers quoted on the basis of the total customer base of the operation irrespective of the Company's ownership percentage. (4)

(5) All numbers quoted as at last day of the quarter.

The data for Israel relate to both 2G and 3G services. The data for Hong Kong (incl Macau), Ghana and Thailand are excluded. (6) (7)

ARPU <sup>1</sup>		02 2009			Q1 2009			Q4 2008				Q3 2008		02 2008		
		30 June 2009			31 March 2009			31 December 2008			30 September 2008			30 June 2008		
Market	Currency	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Indonesia	IDR ('000)	11	202	10	10	183	10	11	134	11	10	134	9	12	108	12
Israel	NIS	151	$\geq$	$\times$	145	$\geq$	$\geq$	158	$\geq$	$\geq$	166	>	$\leq$	158	$\times$	$>\!\!\!\!\!\!\!\!\!\!\!\!\!\!\!\!\!\!$
Sri Lanka	LKR	119	-	119	148	-	148	164	-	164	181	-	181	163	-	163
Vietnam	VND ('000)	68	250	68	$\sim$	$\geq$	$\geq$	$\geq$	$\geq$	$\geq$	$\sim$	$\sim$	$\geq$	$\geq$	$\geq$	$>\!\!\!\!\!\!\!\!\!\!$

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 Israel relate to both 2G and 3G services.

The data for Hong Kong (incl Macau), Ghana and Thailand are excluded. (4)

MOU'	02 2009			Q1 2009			Q4 2008				03 2008		02 2008		
	30 June 2009			31 March 2009			31 December 2008			30 September 2008			30 June 2008		
Market	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Indonesia	55	375	54	55	342	55	55	225	55	56	209	56	82	117	82
Israel	364	$\succ$	$\succ$	358	$\geq$	$\geq$	357	$\geq$	$\succ \lhd$	376	$>\!$	$\geq$	368	$\geq$	$>\!\!\!\!\!\!\!\!\!\!\!\!\!\!\!\!$
Sri Lanka	77	-	77	77	-	77	74	-	74	71	-	71	54	-	54
Vietnam	221	156	221	$\sim$	$\sim$	$\sim$	$\sim$	$\sim$	$\sim$	$\sim$	$\sim$	$\sim$	$\sim$	$\geq$	$\sim$

Notes.

The monthly Minutes of Use ("MOU") is calculated as the total minutes carried over the network (26 total airtime usage + 36 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. (1)

(2) The data for Israel relate to both 2G and 3G services.

(3) The data for Hong Kong (incl Macau), Ghana and Thailand are excluded.

Chum <sup>1</sup>	02 2009			01 2009			Q4 2008			Q3 2008			Q2 2008		
	30 June 2009			31 March 2009			31 December 2008			30 September 2008			30 June 2008		
Market	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Indonesia	24.9%	12.8%	25.0%	24.8%	4.8%	24.9%	24.2%	4.1%	24.3%	18.1%	5.3%	18.1%	15.6%	7.9%	5 15.6%
Israel	1.3%	$\geq$	$\geq$	1.6%	$\geq$	$\geq$	1.5%	$\geq$	$\geq <$	1.3%	$\geq$	$\geq <$	1.3%	$\geq$	$\geq \sim$
Sri Lanka	10.8%	-	10.8%	7.1%	-	7.1%	4.4%	-	4.4%	5.0%	-	5.0%	3.8%	-	3.8%
Vietnam	0.3%	10.6%	0.3%	$\sim$	$\geq$	$\geq$	$\geq$	$\geq$	$\geq$	$\sim$	$\geq$	$\geq$	$\sim$	$\geq$	$\geq$

Notes

The monthly churn % is calculated as the average number of disconnections (net of reconnection and internal migration between networks) for the month divided by (1)

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. The data for Israel relate to both 26 and 36 services. (2)

(3) The data for Hong Kong (incl Macau), Ghana and Thailand 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.