Hutchison Telecoms

Hutchison Telecommunications (Australia) Limited
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ASX Market Announcements

Australian Securities Exchange

Date: 21 July 2015

Subject: Half Year Results

Please find attached the Company's results for the half year to 30 June 2015 in the form of Appendix 4D.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited

ASX HALF YEAR INFORMATION

30 June 2015

Hutchison Telecommunications (Australia) Limited

ABN 15 003 677 227

ASX Half Year Information

30 June 2015

Contents

Lodged with the ASX under Listing Rule 4.3A.

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by Hutchison Telecommunications (Australia) Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Hutchison Telecommunications (Australia) Limited
Half year ended 30 June 2015

Results for announcement to the Market

Hutchison Telecommunications (Australia) Limited ("HTAL") reports a $90.1 million loss for the half-year ended 30 June 2015, compared with a loss of $79.5 million in the corresponding period last year. HTAL's share of Vodafone Hutchison Australia Pty Limited's ("VHA") net loss included in HTAL's results for the period was $91.8 million for the half-year ended 30 June 2015 compared with a net loss of $79.3 million in the corresponding period last year.

HTAL's revenue from ordinary activities represents interest income received on loans to VHA. HTAL's revenue from ordinary activities for the half-year ended 30 June 2015 increased from $0.4 million in the corresponding period last year to $2.4 million as a result of increased shareholder loans provided to VHA.

		$ '000
Revenue from ordinary activities *(Appendix 4D 2.1)*	↑ 448.9%	2,426
Loss from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)*	↑ 13.3%	(90,083)
Net loss for the period attributable to members *(Appendix 4D item 2.3)*	↑ 13.3%	(90,083)

Dividends / distributions *(Appendix 4D item 2.4)*	Amount per security	Franked amount per security
Final dividend (prior year)	Nil	Nil
Interim dividend	Nil	Nil

Record date for determining entitlements to the dividend *(Appendix 4D item 2.5)*	**n/a**	**n/a**

Directors' Report

Your Directors present their report on the Consolidated Entity (the "Consolidated Entity") consisting of Hutchison Telecommunications (Australia) Limited (the "Company" or "HTAL") and the entities it controlled at the end of, or during, the half year ended 30 June 2015.

Directors

The following persons were Directors of HTAL during the whole of the half year and up to the date of this report:

FOK Kin Ning, Canning
Barry ROBERTS-THOMSON
CHOW WOO Mo Fong, Susan
Justin Herbert GARDENER
LAI Kai Ming, Dominic
John Michael SCANLON
Frank John SIXT
Ronald Joseph SPITHILL

Review of HTAL's results

HTAL accounts for its investment in Vodafone Hutchison Australia Pty Limited ("VHA") using the equity method of accounting. Under this method, revenue from VHA's ordinary activities is not included in HTAL's consolidated revenues from ordinary activities.

HTAL reports a $90.1 million loss for the half-year ended 30 June 2015, compared with a loss of $79.5 million in the corresponding period last year. The VHA results (including revenue and operating costs) are included in the "share of net losses of a joint venture accounted for using the equity method" in HTAL's consolidated statement of profit or loss and other comprehensive income.

HTAL's revenue from ordinary activities represents interest income received on loans to VHA. HTAL's revenue from ordinary activities for the half-year ended 30 June 2015 increased 448.9% to $2.4 million as a result of increased shareholder loans provided to VHA.

No dividend was declared or paid by HTAL during the half-year (2014: nil).

In June 2015, notification was received that CK Hutchison Holdings Limited ("CKHH"), which is now the ultimate parent company of Hutchison Whampoa Limited, had become a substantial shareholder of the Company.

VHA performance

This section outlines the operating performance of VHA attributable to HTAL. References to VHA's financial results reflect the 50% share of VHA attributable to HTAL. References to customer metrics reflect the total customer base of VHA.

Growth trends continued for VHA in the areas of customer numbers and revenue in the first half of 2015, building on momentum from the second half of 2014. VHA's active customer base excluding wholesale customers (MVNO) increased 2.1% year on year to 4.9 million, driven by growth in post-paid Red and SIM-only plans. VHA's pre-paid customer base achieved modest year on year growth, despite an increasingly competitive market. HTAL's share of VHA's total revenue increased 2.9% year on year to $887.4 million, underpinned by gross service revenue[1] growth. Gross service revenue was up 2.8% to $766.8 million year on year. Gross ARPU[2] increased 2.0% year on year to $51.32 through growth in a variety of VHA's products, with more customers opting for higher-end Red plans. HTAL's share of net loss of VHA decreased from December 2014 to June 2015. Higher costs of handsets sold, higher variable content costs and higher finance costs due to the stronger US dollar have contributed to an increase in HTAL's share of net loss of VHA year on year.

VHA continued to build on its commitment to customer service excellence, most notably with the official opening of its new state-of-the-art customer care centre in Hobart's Central Business District in March 2015. There has also been a strong focus on enhanced processes, improved agent training, faster issues resolution and increased use of live chat online. This has resulted in a significant decline in complaints by VHA customers to the Telecommunications Industry Ombudsman to 7.2 per 10,000 customers in the quarter ended June 2015 from 14.3 in the quarter ended June 2014. Another customer touch point where VHA is enhancing its offering is in the retail channel with dozens of stores being opened across the country in 2015, including many already in operation.

VHA further expanded its network coverage footprint across the country, with 96% of the Australian metropolitan population now covered by its 4G network. The VHA network (2G, 3G and 4G) reaches 96% of the Australian population. 4G+ (carrier aggregation) was rolled out across metropolitan areas, providing faster and more reliable data services for customers with compatible devices. The Core Evolution program, which will result in an improved customer experience through VHA's new Ericsson core network, has continued to make on-schedule progress. VHA is also moving forward with plans for Voice over LTE (VoLTE), with production network and field testing being carried out.

There is increasing competition amongst major mobile service providers in the Australian telecommunications market, particularly in the area of data. VHA has been keeping pace with a range of innovative propositions, despite aggressive marketing campaigns and products from competitors in the first six months of 2015. For example, in February, VHA was the first provider to launch shared plans which allow families to share call, text and data inclusions on one bill. VHA's Net Promoter Score, which measures how prepared customers would be to recommend the service to others, showed consistent year on year growth in the first half of 2015, up 4 points from June 2014 to June 2015.

VHA has increased its focus on the business market with a number of initiatives and products. VHA signed a three year partnership with the Council of Small Business Australia, the country's peak body representing the interests of Australia's 4.5 million small businesses.

VHA strengthened its commitment to being an employer of choice with the introduction of an industry-leading paid parental leave policy. Under the policy, primary carers returning to work after paid parental leave have the option to work for four days per week and get paid for five days for six months.

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1 **Gross service revenue** represents total monthly amount billed to the customer excluding any handset/device charges, plus incoming mobile termination revenue.

2 **Gross ARPU** represents a rolling 12 month average gross service revenue per user per month at the end of the period excluding MVNOs.

Outlook

With the support of its joint shareholders, VHA continues to build on a solid foundation following the completion of its turnaround strategy in 2014.

HTAL is pleased to see the benefits from the strategic initiatives flow into improved financial results, with year on year growth in revenue and customer numbers.

In the second half of 2015, VHA will continue its focus on customer experience improvement, expanding its network, driving consideration through a new brand campaign, rolling out its retail expansion program, driving growth in Business segments and establishing a best-value household proposition with an emphasis on content.

HTAL remains committed to its investment in VHA and is confident growth trends will continue, leading to profitability in the future.

VHA financial and operating metrics

Note - the items in the table below represent the 50% share of VHA's results attributable to HTAL, except for customer numbers

	Half–year ended			
	June 2015	Dec 2014	June 2014	YoY change
Total revenue ($m)	887.4	884.8	862.8	2.9%
Gross service revenue ($m)	766.8	754.8	745.9	2.8%
Net service revenue[3] ($m)	675.3	679.3	683.0	(1.1%)
Share of net loss of VHA[4] ($m)	(91.8)	(222.5)	(79.3)	(15.8%)
The items below represent totals for VHA				
- Postpaid customers ('000)	3,175	3,140	3,075	3.3%
- Prepaid customers ('000)	1,685	1,714	1,684	0.1%
VHA customers subtotal ('000)	4,860	4,854	4,759	2.1%
- MVNO customers ('000)	395	448	452	(12.6%)
Total network customers ('000)	5,255	5,302	5,211	0.8%
Gross ARPU	51.32	50.79	50.30	2.0%
Net ARPU[5]	45.55	46.00	46.30	(1.6%)

[3] **Net service revenue** represents gross service revenue excluding amounts attributable to a handset/device in postpaid contract bundled plans. The amount attributable to a handset/device is based on the price differential between a contract bundled plan and a comparable SIM-only plan at the time of acquisition or re-sign.

[4] Reconciliation for the **Share of net loss of VHA** is set out on page 20.

[5] **Net ARPU** represents a rolling 12 month average net service revenue per user per month at the end of the period excluding MVNOs.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Rounding of amounts

The Consolidated Entity is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar or cent.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327B of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors, in accordance with section 306(3) of the *Corporations Act 2001*.

Director
21 July 2015

Director
21 July 2015

Auditor's Independence Declaration

As lead auditor for the review of Hutchison Telecommunications (Australia) Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Hutchison Telecommunications (Australia) Limited and the entities it controlled during the period.

David Wiadrowski
Partner
PricewaterhouseCoopers

Sydney
21 July 2015

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Hutchison Telecommunications (Australia) Limited
Consolidated statement of profit or loss and other comprehensive income
For the half year ended 30 June 2015

	June 2015 $'000	June 2014 $'000
Revenue	**2,426**	442
Operating expenses	**(662)**	(658)
Finance costs	**(5)**	(5)
Share of net losses of a joint venture accounted for using the equity method	**(91,772)**	(79,258)
Loss before income tax	**(90,013)**	(79,479)
Income tax expense	**(70)**	-
Loss for the period	**(90,083)**	(79,479)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss:		
Changes in the fair value of cash flow hedges (share of joint venture), net of tax	**(241)**	(365)
Other comprehensive income (loss) for the period, net of tax	**(241)**	(365)
Total comprehensive income (loss) for the period attributable to members of Hutchison Telecommunications (Australia) Limited	**(90,324)**	(79,844)
	Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company		
Basic earnings per share	**(0.66)**	(0.59)
Diluted earnings per share	**(0.66)**	(0.59)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated statement of financial position
As at 30 June 2015

	June 2015 $'000	Dec 2014 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	**2,994**	1,815
Other financial assets	**136,668**	36,173
Trade receivables	**8**	174
Total Current Assets	**139,670**	38,162
Non-Current Assets		
Other financial assets	**11,339**	10,902
Investment accounted for using the equity method	**373,650**	465,663
Deferred tax assets	**-**	70
Total Non-Current Assets	**384,989**	476,635
Total Assets	**524,659**	514,797
LIABILITIES		
Current Liabilities		
Payables	**432**	246
Other financial liabilities	**241,862**	141,862
Total Current Liabilities	**242,294**	142,108
Total Liabilities	**242,294**	142,108
Net Assets	**282,365**	372,689
EQUITY		
Contributed equity	**4,204,488**	4,204,488
Reserves	**71,028**	71,269
Accumulated losses	**(3,993,151)**	(3,903,068)
Total Equity	**282,365**	372,689

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated statement of changes in equity
For the half year ended 30 June 2015

	Attributable to members of Hutchison Telecommunications (Australia) Limited					
		Reserves				
	Contributed equity	Capital Redemption	Cash flow hedges	Share-based payments	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2014	**4,204,488**	**54,887**	**(2,573)**	**15,880**	**(3,617,557)**	**655,125**
Loss for the period	-	-	-	-	(79,479)	(79,479)
Share of joint venture's changes in the fair value of cash flow hedges, net of tax	-	-	(365)	-	-	(365)
Total comprehensive loss for the period	**-**	**-**	**(365)**	-	**(79,479)**	**(79,844)**
Balance at 30 June 2014	**4,204,488**	**54,887**	**(2,938)**	**15,880**	**(3,697,036)**	**575,281**
Balance at 1 January 2015	**4,204,488**	**54,887**	**502**	**15,880**	**(3,903,068)**	**372,689**
Loss for the period	-	-	-	-	(90,083)	(90,083)
Share of joint venture's changes in the fair value of cash flow hedges, net of tax	-	-	(241)	-	-	(241)
Total comprehensive loss for the period	**-**	**-**	**(241)**	-	**(90,083)**	**(90,324)**
Balance at 30 June 2015	**4,204,488**	**54,887**	**261**	**15,880**	**(3,993,151)**	**282,365**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated statement of cash flows
For the half year ended 30 June 2015

	June 2015 $'000	June 2014 $'000
Cash Flows from Operating Activities		
Payments to suppliers and employees (inclusive of GST)	**(309)**	(90)
Interest received	**1,493**	41
Finance costs paid	**(5)**	-
Net cash inflows (outflows) from operating activities	**1,179**	(49)
Cash Flows from Investing Activities		
Loans to joint ventures	**(100,000)**	-
Net cash outflows from investing activities	**(100,000)**	-
Cash Flows from Financing Activities		
Proceeds from borrowings – entity within the CKHH Group	**100,000**	-
Net cash inflows from financing activities	**100,000**	-
Net increase (decrease) in cash and cash equivalents	**1,179**	(49)
Cash and cash equivalents at 1 January	**1,815**	2,972
Cash and cash equivalents at 30 June	**2,994**	2,923

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Note 1 - Summary of significant accounting policies

Basis of preparation of half-year report

This general purpose financial report for the interim half year reporting period ended 30 June 2015 has been prepared in accordance with Accounting Standard *AASB* 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by Hutchison Telecommunications (Australia) Limited (the "Group", "Consolidated Entity" or "HTAL"), during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

For the purposes of preparing the financial statements, the Consolidated Entity is a for-profit entity.

Going concern disclosures

As at 30 June 2015, the Consolidated Entity has a deficiency of net current assets of $103 million (31 December 2014: $104 million). Included in the Consolidated Entity's current liabilities is an amount of $242 million (31 December 2014: $142 million) which relates to an interest free financing facility provided from a subsidiary of the ultimate parent entity, CK Hutchison Holdings Limited ("CKHH"), which is repayable on demand. CKHH has confirmed its current intention to provide sufficient financial support to enable the Consolidated Entity to meet its financial obligations as and when they fall due for a minimum period of twelve months from the date of signing this financial report. Consequently, the Directors have prepared the financial report on a going concern basis.

Principles of consolidation

(i) Subsidiaries

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(ii) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control and over which none of the participating parties has unilateral control.

Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has under the relevant contract. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement. Joint ventures are accounted for under the equity method.

The results and net assets of joint ventures are incorporated in these accounts using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under AASB 5, *Non-current assets held for sale and discontinued operations*. The total carrying amount of such investments is reduced to recognise any identified impairment loss in the value of individual investments.

As at 30 June 2015, HTAL has only one joint venture.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are tested for impairment annually and when there is an indication that they may be impaired. Other assets are tested for impairment whenever there is any indication that the carrying value of these assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. Such impairment loss is recognised in the statement of profit or loss and other comprehensive income.

Segments reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision maker. Operating segments that meet the quantitative criteria as prescribed by *AASB 8* are reported separately.

Critical accounting estimates and assumptions

The preparation of financial statements often requires the use of judgements to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the accounts. The Group bases its estimates and judgements on historical experience and various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates and judgements under different assumptions or conditions.

(i) Impairment of investments in controlled entities and joint venture

In accordance with the Consolidated Entity's accounting policy, the investments in controlled entities and the joint venture are periodically tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of the Company's investment in controlled entities, and the recoverable amount of the Consolidated Entity's investment in its joint venture are determined as the higher of the fair value less cost of disposal or value in use methodology. The underlying calculation is based on the approved business plan for VHA. These calculations require the use of estimates and assumptions.

A discounted cash flow calculation is undertaken on the approved business plan. A terminal value is calculated on the cash flows. The cash flows are then discounted using a suitable discount rate consistent with recent internal assessments of the Consolidated Entity's weighted average cost of capital. The resulting net present value is compared to the balance of the Consolidated Entity's equity accounted for investment in a joint venture.

The Directors believe that the carrying value of the Consolidated Entity's investment in joint venture as at 30 June 2015 is appropriate and are not aware of any events or changes since the year end which may potentially impair the carrying values of the Consolidated Entity's investments in joint venture as at the statement of financial position date.

(ii) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of taxable profits generated in the foreseeable future together with future tax planning strategies.

(iii) Joint venture accounting adjustments

Depreciation of operating assets constitutes a substantial operating cost for the joint venture. The cost of fixed assets is charged as a depreciation expense over the estimated useful lives of the respective assets using the straight-line method and this is reflected in the "share of net losses of a joint venture accounted for using the equity method" in HTAL's consolidated statement of profit or loss and other comprehensive income. The Directors are of the view that the estimated useful lives of network assets within the joint venture should be extended to reflect the experience of the group. Accordingly, adjustments to the useful lives of assets have been made when the Group's 50% interest in joint venture, VHA, is incorporated into the Group's consolidated financial statements. This is to reflect the use of the Group's fixed assets useful lives.

Rounding of amounts to nearest thousand dollars

The Consolidated Entity is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar or cent.

New accounting standards and interpretations

The Consolidated Entity has adopted all of the new and revised effective / applicable standards, amendments and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to the Consolidated Entity's operations and mandatory for annual periods beginning on or after 1 January 2015.

The Consolidated Entity has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2015:

Reference	**Standard(s)**
AASB 2014-1 (Part A)	Amendments to Australian Accounting Standards – Annual Improvements 2010-2012 and 2011-2013 Cycles
AASB 2014-1 (Part C)	Amendments to Australian Accounting Standards – Materiality
AASB 2014-1 (Part E)	Amendments to Australian Accounting Standards – Financial Instruments
AASB 2014-8	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 10 (December 2010)

The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group. The Group is still assessing the impact of these new standards and interpretations on the financial statements.

Note 2 - Operating segment

The Consolidated Entity has identified its operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

In 2015, the Consolidated Entity continued to invest in an operator within the telecommunications industry.

The chief operating decision maker of the Consolidated Entity receives information to manage its operations and investment based on one operating segment, an investor in an operator of telecommunication services. As such, the Consolidated Entity believes it is appropriate that there is one operating segment, investment in telecommunication services.

Key financial information used by the chief operating decision maker of the Consolidated Entity when evaluating the investment in telecommunication services operating segment includes:

HTAL's share of the following items of VHA*	**June 2015 $m**	**June 2014 $m**
Total Revenue	**887**	863
Net Losses	**(92)**	(79)

Further information reviewed by the chief operating decision maker with regards to the performance of the Consolidated Entity's investment in VHA is disclosed on page 20.

*after joint venture accounting adjustments

Note 3 - Events occurring after the reporting date

No matter or circumstance has arisen after the reporting period that has significantly affected, or may significantly affect:

(i) the operations of the Consolidated Entity in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the state of affairs of the Consolidated Entity in future financial years.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 9 to 17 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that Hutchison Telecommunications (Australia) Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Director
21 July 2015

Director
21 July 2015

Hutchison Telecommunications (Australia) Limited
Supplementary Appendix 4D information

NTA Backing *(Appendix 4D item 3)*

	June 2015	June 2014
Net tangible asset backing per ordinary share	**$0.02**	$0.04

Controlled entities acquired or disposed of *(Appendix 4D item 4)*
N/A

Additional dividend/distribution information *(Appendix 4D item 5)*
N/A

Dividend/distribution reinvestment plan *(Appendix 4D item 6)*
N/A

Associates and Joint Venture entities *(Appendix 4D item 7)*

Joint venture
HTAL owns a 50% interest in a joint venture with Vodafone Group Plc named Vodafone Hutchison Australia Pty Limited ("VHA"), which is involved in providing mobile telecommunication services in Australia. The interest in VHA, held by a controlled entity, Hutchison 3G Australia Holdings Limited ("H3GAH"), is accounted for in the consolidated financial reports using the equity method.

The aggregate share of losses from VHA for the half year ended 30 June 2015 is $91,772,000 (2014: $79,258,000).

Information relating to the joint venture is set out below:

	June 2015 $'000	June 2014 $'000
Reconciliation of interest in a joint venture		
Investment brought forward at 1 January	**465,663**	764,379
Loss for the year	**(91,772)**	(79,258)
Share of change in fair value of cash flow hedges, net of tax	**(241)**	(365)
Interest in a joint venture at 30 June	**373,650**	684,756

Summarised financial information of the joint venture, based on its Australian Accounting Standards financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements, are set out below:

	June 2015 $'000	Dec 2014 $'000
Current assets	**1,017,033**	926,769
Non-current assets	**6,893,186**	6,861,921
Current liabilities	**(1,370,067)**	(1,316,939)
Non-current liabilities	**(6,741,645)**	(6,413,587)
Net Assets	**(201,493)**	58,164
Proportion of the Consolidated Entity's ownership	**50%**	50%
Share of the joint venture's net assets	**(100,747)**	29,082
Goodwill	**165,321**	165,321
Joint venture accounting adjustments	**309,076**	271,260
Carrying amount of the investment	**373,650**	465,663

The carrying value of HTAL's investment in VHA is predicated on the ongoing financial support from both of VHA's shareholders. At 30 June 2015, HTAL's share of VHA's net current asset deficiency is $176.5 million (2014: net current assets deficiency of $195.1 million). One of VHA's ultimate shareholders, CKHH, and one of its direct shareholders, Vodafone Oceania Limited, have each confirmed their current intention to provide financial support to enable VHA to meet its financial obligations as and when they fall due for a minimum period of twelve months from the date of signing this financial report.

Summarised statement of profit or loss and other comprehensive income of VHA

	June 2015 $'000	June 2014 $'000
Revenues	**1,774,896**	1,725,601
Expenses	**(2,034,072)**	(1,955,124)
Loss before income tax	**(259,176)**	(229,523)
Income tax expense	**-**	-
Loss for the period	**(259,176)**	(229,523)
Other comprehensive loss		
Changes in the fair value of cash flow hedges, net of tax	**(481)**	(729)
Total comprehensive loss	**(259,657)**	(230,252)
50% share of VHA's loss for the period	**(129,588)**	(114,762)
Joint venture accounting adjustments	**37,816**	35,504
Share of joint venture's loss	**(91,772)**	(79,258)

VHA's financial statements include the following specific items:

	June 2015 $'000	Dec 2014 $'000
Cash and cash equivalents	**175,852**	109,889
Current financial liabilities	**346,842**	160,497
Non-current financial liabilities	**6,620,342**	6,275,051

	June 2015 $'000	June 2014 $'000
Depreciation and amortisation^	**(439,318)**	(504,448)
Interest income	**1,195**	2,781
Finance costs	**(203,398)**	(172,835)

^ Depreciation and amortisation under the HTAL basis are $364 million for period ended 30 June 2015 (2014: $433 million). The differences are primarily related to differences in the estimated economic useful lives of property, plant and equipment.

Foreign Accounting standards *(Appendix 4D item 8)*

For foreign entities only, details of the accounting standards used in compiling the report e.g. International Accounting Standards

N/A

Hutchison Telecommunications (Australia) Limited
Compliance Statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

2 This report, and the financial statements upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on +accounts to which one of the following applies.

(Tick one)

☐	The +accounts have been audited.	✓	The +accounts have been subject to review.
☐	The +accounts are in the process of being audited or subject to review.	☐	The +accounts have *not* yet been audited or reviewed.

5 The auditor's review report is attached.

6 The entity has a formally constituted audit committee.

Sign here: .... Date: 21 July 2015
(Director)

Print name:

Sign here: .... Date: 21 July 2015
(Director)

Print name

Independent auditor's review report to the members of Hutchison Telecommunications (Australia) Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hutchison Telecommunications (Australia) Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Hutchison Telecommunications (Australia) Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Hutchison Telecommunications (Australia) Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hutchison Telecommunications (Australia) Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date;

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

PricewaterhouseCoopers

PricewaterhouseCoopers

D Wiadrowski

David Wiadrowski
Partner

Sydney
21 July 2015