## **Operations Review**

## **Consolidated Operating Results**

The Group's activities are focused on five core business divisions – ports and related services; property and hotels; retail; energy, infrastructure, finance & investments and others; and telecommunications.

The Group reported total revenue, including the Group's share of associated companies' and jointly controlled entities' revenue, of HK\$267,664 million, an 11% increase over 2005. The Group's EBIT for the year, excluding investment properties revaluation profit and profit on disposal of investments and others, totalled HK\$23,795 million, a 955% increase over 2005 comparable EBIT of HK\$2,256 million. This EBIT is comprised of EBIT of the established businesses of HK\$43,791 million, which increased 14% compared to last year, and LBIT of the **3** Group of HK\$19,996 million, a 45% reduction compared to last year. Investment properties revaluation profit amounted to HK\$3,802 million (2005 - HK\$5,225 million) and the profit on disposal of investments and others totalled HK\$23,290 million (2005 - HK\$25,117 million). Including these exceptional items, the Group's consolidated EBIT totalled HK\$50,887 million, a 56% increase compared to last year.

The profit attributable to shareholders for the year was HK\$20,030 million, which was 40% ahead of last year's amount of HK\$14,343 million.

## **Financial Performance Summary**

Total revenue (27) Ports and related services (10,717 10,265 + 4% Retail (10,717 10,265 + 12% Retail (10,717 10,265 + 13% Ret		2006	As restated <sup>(1)</sup> 2005		
Ports and related services Property and hotels Principe British Britis		HK\$ millions	HK\$ millions		Change
Ports and related services Property and hotels Principe British Britis	Total revenue (2)				
Retail Cheung Kong Infrastructure 14.822 16.590 - 11.4 14.822 16.590 - 1		33,041	29,917	+	10%
Cheung Kong Infriastructure	Property and hotels	10,717		+	4%
Husky Energy   12,981   22,879   131%   Finance & Investments and others   12,614   10,530   120%   10,614   10,530   120%   10,614   10,530   120%   10,614   10,530   120%   10,614   10,530   120%   10,614   10,530   120%   10,614   10,530   120%   10,530   13,516   10,219   130%   10,514   130%   10,514   130%   10,514   130%   10,514   130%   10,514   130%   10,514   130%   10,514   130%   10,514   130%   10,514   130%   10,514   130%	Retail	99,149	88,780	+	12%
Finance & Investments and others   12,614   10,530   + 20%   Hutchison Telecommunications International   3 Group   50,668   37,502   + 35%   50,668   37,502   + 35%   50,668   37,502   + 35%   50,668   37,502   + 35%   50,668   37,502   + 35%   50,668   37,502   + 35%   50,668   37,502   + 35%   50,668   37,502   + 35%   50,667   37,502   + 35%   50,667   37,502   + 35%   50,667   37,502   + 35%   50,667   37,502   + 35%   50,667   37,502   + 35%   50,667   37,503   + 44%   50,667   37,503   37,503   + 44%   50,667   37,503   37,503   + 44%   50,667   37,503   3	Cheung Kong Infrastructure	14,822	16,590	-	11%
Hutchison Telecommunications International 3 Group 50.668 37.502 + 34% 35% Total 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 11% 267.664 241.862 + 12% 267.664 241.862 + 12% 267.664 241.862 + 12% 267.664 241.862 + 12% 267.664 241.862 + 12% 267.664 241.862 + 12% 267.664 241.862 + 12% 267.86	Husky Energy	29,981	22,879	+	31%
Total   So,668   37,502   1,35%   10tal   267,664   241,862   1,35%   10tal   267,664   241,862   1,35%   1,	Finance & Investments and others	12,614	10,530	+	20%
Total   267,664   241,862   + 11%   EBIT				-	34%
Established businesses   Ports and related services   11,395   10,219   + 12%   10,219   + 12%   10,219   + 12%   10,219   + 12%   10,219   + 12%   10,219   + 12%   10,219   + 12%   10,219   + 12%   10,219   + 14%   12%   10,210   10,219   + 14%   12%   10,210   10,219   + 14%   12%   10,210   10,219   + 14%   12%   10,210   10,219   + 14%   12%   10,210   10,219   + 14%   12%   10,210   10,219   + 14%   12%   10,210   10,219   + 14%   12%   10,219   10,21	3 Group	50,668	37,502	+	35%
Established businesses           Ports and related services         11,395         10,219         + 12%           Property and hotels         5,667         3,939         + 44%           Retail         2,720         3,261         - 17%           Cheung Kong Infrastructure         6,136         6,675         - 8%           Husky Energy         8,305         6,140         + 35%           Finance & Investments and others         6,920         5,513         + 26%           Hutchison Telecommunications International         2,648         2,789         - 5%           EBIT of established businesses         43,791         38,536         + 14%           3 Group         5         5,494         (11,444)         + 52%           Reported EBITDA/(LBITDA)         7,729         (9,619)         + 180%           Depreciation and amortisation         (27,725)         (26,661)         - 4%           LBIT of 3 Group         (19,996)         (36,280)         + 45%           TOTAL EBIT BEFORE THE FOLLOWING         23,795         2,256         + 955%           Change in fair value of investment properties         3,802         5,225         - 27%           Profit on disposal of investments and others         23,290 <t< td=""><td>Total</td><td>267,664</td><td>241,862</td><td>+</td><td>11%</td></t<>	Total	267,664	241,862	+	11%
Ports and related services         11,395         10,219         + 12%           Property and hotels         5,667         3,939         + 44%           Retail         2,720         3,261         - 17%           Cheung Kong Infrastructure         6,136         6,675         - 8%           Husky Energy         8,305         6,140         + 35%           Finance & Investments and others         6,920         5,513         + 26%           Hutchison Telecommunications International         2,648         2,789         - 5%           EBIT of established businesses         43,791         38,536         + 14%           3 Group         5         5         + 625%           Prepaid CACs         13,223         1,825         + 625%           Prepaid CACs         (5,494)         (11,444)         + 52%           Reported EBITDA/(LBITDA)         7,729         (9,619)         + 180%           Depreciation and amortisation         (27,725)         (26,661)         - 4%           LBIT of 3 Group         (19,996)         (36,280)         + 45%           TOTAL EBIT BEFORE THE FOLLOWING         23,795         2,256         + 955%           Change in fair value of investments and others         3,802         5,225	EBIT (2)				
Property and hotels         5,667         3,939         + 44%           Retail         2,720         3,261         - 17%           Cheung Kong Infrastructure         6,136         6,675         - 8%           Husky Energy         8,305         6,140         + 35%           Finance & Investments and others         6,920         5,513         + 26%           Hutchison Telecommunications International         2,648         2,789         - 5%           EBIT of established businesses         43,791         38,536         + 14%           3 Group         ***         ***         ***           EBITDA before all CACS         13,223         1,825         + 625%           Prepaid CACS         (5,494)         (11,444)         + 52%           Reported EBITDA/(LBITDA)         7,779         (9,619)         + 180%           Depreciation and amortisation         (27,725)         (26,661)         - 4%           LBIT of 3 Group         (19,996)         (36,280)         + 45%           TOTAL EBIT BEFORE THE FOLLOWING         23,795         2,256         + 955%           Change in fair value of investment properties         3,802         5,225         - 27%           Profit of disposal of investments and others         20	Established businesses				
Retail         2,720         3,261         - 17%           Cheung Kong Infrastructure         6,136         6,675         - 8%           Husky Energy         8,305         6,140         + 35%           Finance & Investments and others         6,920         5,513         + 26%           Hutchison Telecommunications International         2,648         2,789         - 5%           EBIT of established businesses         43,791         38,536         + 14%           3 Group         5         5         43,791         38,536         + 14%           BEITDA before all CACS         13,223         1,825         + 625%           Prepaid CACS         (5,494)         (11,444)         + 52%           Reported EBITDA/(LBITDA)         7,729         (9,619)         + 180%           Depreciation and amortisation         (27,725)         (26,661)         - 4%           LBIT of 3 Group         (19,996)         (36,280)         + 45%           TOTAL EBIT BEFORE THE FOLLOWING         23,795         2,256         + 955%           Change in fair value of investments and others         23,290         25,117         - 7%           TOTAL EBIT         50,887         32,598         + 56%           Interest expense and ot	Ports and related services	11,395	10,219	+	12%
Cheung Kong Infrastructure       6,136       6,675       -       8%         Husky Energy       8,305       6,140       +       35%         Finance & Investments and others       6,920       5,513       +       26%         Hutchison Telecommunications International       2,648       2,789       -       5%         EBIT of established businesses       43,791       38,536       +       14%         3 Group       *****       ******       *******       ********       ********       6,25%       ********       *************       *************************       ************************************		·	·	+	44%
Husky Energy				-	
Finance & Investments and others         6,920         5,513         + 26%           Hutchison Telecommunications International         2,648         2,789         - 5%           EBIT of established businesses         43,791         38,536         + 14%           3 Group         8         3,835         + 625%           EBITDA before all CACS         13,223         1,825         + 625%           Prepaid CACS         (5,494)         (11,444)         + 52%           Reported EBITDA/(LBITDA)         7,729         (9,619)         + 180%           Depreciation and amortisation         (27,725)         (26,661)         - 4%           LBIT of 3 Group         (19,996)         (36,280)         + 45%           TOTAL EBIT BEFORE THE FOLLOWING         23,795         2,256         + 955%           Change in fair value of investment properties         3,802         5,225         - 27%           Profit on disposal of investments and others         23,290         25,117         - 7%           TOTAL EBIT         50,887         32,598         + 56%           Interest expense and other finance costs         (20,346)         (18,156)         - 12%           Profit before tax         30,541         14,442         + 111%				-	
Hutchison Telecommunications International   2,648   2,789   - 5%					
### BIT of established businesses  ### 3,791  ### 38,536  ### 14%  ### 3 Group  ### BITDA before all CACS  ### Prepaid CACS  ### Prepaid CACS  ### Prepaid CACS  ### Reported EBITDA/(LBITDA)  ### Depreciation and amortisation  ### LBIT of 3 Group  ### TOTAL EBIT BEFORE THE FOLLOWING  ### Change in fair value of investment properties  ### TOTAL EBIT square of investment properties  ### TOTAL EBIT square of investments and others  ### TOTAL EBIT square of investments and other					
### BITDA before all CACs   13,223   1,825   + 625%			· ·		5%
BBITDA before all CACS   13,223   1,825   + 625%     Prepaid CACS   (5,494)   (11,444)   + 52%     Reported EBITDA/(LBITDA)   7,729   (9,619)   + 180%     Depreciation and amortisation   (27,725)   (26,661)   - 4%     LBIT of 3 Group   (19,996)   (36,280)   + 45%     TOTAL EBIT BEFORE THE FOLLOWING   23,795   2,256   + 955%     Change in fair value of investment properties   3,802   5,225   - 27%     Profit on disposal of investments and others   23,290   25,117   - 7%     TOTAL EBIT   50,887   32,598   + 56%     Interest expense and other finance costs   (20,346)   (18,156)   - 12%     Profit before tax   30,541   14,442   + 111%     Tax   Current tax   (4,833)   (4,119)   - 17%     Deferred tax   (2,318)   3,253   - 171%     Profit after tax   23,390   13,576   + 72%     Profit after tax   23,400   13,576   + 72%     Profit after tax   23,390   13,576   + 72%     Profit after tax   23,400   13,576   + 72%     Profit after tax   24,400   24,4	EBIT of established businesses	43,791	38,536	+	14%
Prepaid CACS         (5,494)         (11,444)         +         52%           Reported EBITDA/(LBITDA)         7,729         (9,619)         +         180%           Depreciation and amortisation         (27,725)         (26,661)         -         4%           LBIT of 3 Group         (19,996)         (36,280)         +         45%           TOTAL EBIT BEFORE THE FOLLOWING         23,795         2,256         +         955%           Change in fair value of investment properties         3,802         5,225         -         27%           Profit on disposal of investments and others         23,290         25,117         -         7%           TOTAL EBIT         50,887         32,598         +         56%           Interest expense and other finance costs         (20,346)         (18,156)         -         12%           Profit before tax         30,541         14,442         +         111%           Tax         (4,833)         (4,119)         -         17%           Deferred tax         (2,318)         3,253         -         171%           Profit after tax         23,390         13,576         +         72%	3 Group				
Reported EBITDA/(LBITDA)       7,729       (9,619)       + 180%         Depreciation and amortisation       (27,725)       (26,661)       - 4%         LBIT of 3 Group       (19,996)       (36,280)       + 45%         TOTAL EBIT BEFORE THE FOLLOWING       23,795       2,256       + 955%         Change in fair value of investment properties       3,802       5,225       - 27%         Profit on disposal of investments and others       23,290       25,117       - 7%         TOTAL EBIT       50,887       32,598       + 56%         Interest expense and other finance costs       (20,346)       (18,156)       - 12%         Profit before tax       30,541       14,442       + 111%         Tax       (4,833)       (4,119)       - 17%         Current tax       (4,833)       (4,119)       - 17%         Deferred tax       (2,318)       3,253       - 1711%         Profit after tax       23,390       13,576       + 72%	EBITDA before all CACs	13,223	1,825	+	625%
Depreciation and amortisation         (27,725)         (26,661)         -         4%           LBIT of 3 Group         (19,996)         (36,280)         +         45%           TOTAL EBIT BEFORE THE FOLLOWING         23,795         2,256         +         955%           Change in fair value of investment properties         3,802         5,225         -         27%           Profit on disposal of investments and others         23,290         25,117         -         7%           TOTAL EBIT         50,887         32,598         +         56%           Interest expense and other finance costs         (20,346)         (18,156)         -         12%           Profit before tax         30,541         14,442         +         111%           Tax         (4,833)         (4,119)         -         17%           Deferred tax         (2,318)         3,253         -         171%           Profit after tax         23,390         13,576         +         72%	Prepaid CACs	(5,494)	(11,444)	+	52%
Depreciation and amortisation         (27,725)         (26,661)         -         4%           LBIT of 3 Group         (19,996)         (36,280)         +         45%           TOTAL EBIT BEFORE THE FOLLOWING         23,795         2,256         +         955%           Change in fair value of investment properties         3,802         5,225         -         27%           Profit on disposal of investments and others         23,290         25,117         -         7%           TOTAL EBIT         50,887         32,598         +         56%           Interest expense and other finance costs         (20,346)         (18,156)         -         12%           Profit before tax         30,541         14,442         +         111%           Tax         (4,833)         (4,119)         -         17%           Deferred tax         (2,318)         3,253         -         171%           Profit after tax         23,390         13,576         +         72%	Reported EBITDA/(LBITDA)	7.729	(9.619)	+	180%
LBIT of 3 Group       (19,996)       (36,280)       +       45%         TOTAL EBIT BEFORE THE FOLLOWING       23,795       2,256       +       955%         Change in fair value of investment properties       3,802       5,225       -       27%         Profit on disposal of investments and others       23,290       25,117       -       7%         TOTAL EBIT       50,887       32,598       +       56%         Interest expense and other finance costs       (20,346)       (18,156)       -       12%         Profit before tax       30,541       14,442       +       111%         Tax       (4,833)       (4,119)       -       17%         Deferred tax       (2,318)       3,253       -       171%         Profit after tax       23,390       13,576       +       72%			,	-	4%
Change in fair value of investment properties       3,802       5,225       -       27%         Profit on disposal of investments and others       23,290       25,117       -       7%         TOTAL EBIT       50,887       32,598       +       56%         Interest expense and other finance costs       (20,346)       (18,156)       -       12%         Profit before tax       30,541       14,442       +       111%         Tax       (4,833)       (4,119)       -       17%         Deferred tax       (2,318)       3,253       -       171%         Profit after tax       23,390       13,576       +       72%	LBIT of 3 Group			+	45%
Change in fair value of investment properties       3,802       5,225       -       27%         Profit on disposal of investments and others       23,290       25,117       -       7%         TOTAL EBIT       50,887       32,598       +       56%         Interest expense and other finance costs       (20,346)       (18,156)       -       12%         Profit before tax       30,541       14,442       +       111%         Tax       (4,833)       (4,119)       -       17%         Deferred tax       (2,318)       3,253       -       171%         Profit after tax       23,390       13,576       +       72%					
Profit on disposal of investments and others       23,290       25,117       -       7%         TOTAL EBIT       50,887       32,598       +       56%         Interest expense and other finance costs       (20,346)       (18,156)       -       12%         Profit before tax       30,541       14,442       +       111%         Tax       (4,833)       (4,119)       -       17%         Deferred tax       (2,318)       3,253       -       171%         Profit after tax       23,390       13,576       +       72%			2,256	+	955%
TOTAL EBIT         50,887         32,598         +         56%           Interest expense and other finance costs         (20,346)         (18,156)         -         12%           Profit before tax         30,541         14,442         +         111%           Tax         (4,833)         (4,119)         -         17%           Deferred tax         (2,318)         3,253         -         171%           Profit after tax         23,390         13,576         +         72%				-	27%
Interest expense and other finance costs       (20,346)       (18,156)       -       12%         Profit before tax       30,541       14,442       +       111%         Tax       (4,833)       (4,119)       -       17%         Deferred tax       (2,318)       3,253       -       171%         Profit after tax       23,390       13,576       +       72%	Profit on disposal of investments and others	23,290	25,117	-	7%
Profit before tax     30,541     14,442     + 111%       Tax     Current tax     (4,833)     (4,119)     - 17%       Deferred tax     (2,318)     3,253     - 171%       Profit after tax     23,390     13,576     + 72%	TOTAL EBIT	50,887	32,598	+	56%
Tax       (4,833)       (4,119)       -       17%         Current tax       (2,318)       3,253       -       171%         Profit after tax       23,390       13,576       +       72%	Interest expense and other finance costs	(20,346)	(18,156)	-	12%
Deferred tax         (2,318)         3,253         -         171%           Profit after tax         23,390         13,576         +         72%		30,541	14,442	+	111%
Profit after tax 23,390 13,576 + 72%	Current tax	(4,833)	(4,119)	-	17%
	Deferred tax	(2,318)	3,253	-	171%
	Profit after tax	23,390	13,576	+	72%
	Minority interests			-	538%
Profit attributable to shareholders 20,030 14,343 + 40%			14,343	+	40%

<sup>(1)</sup> Certain reclassification adjustments on minority interests have been made to conform to the 2006 presentation.

<sup>(2)</sup> The information includes the Company's, its subsidiary companies' and its proportionate share of associated companies' and jointly controlled entities' respective items. See Note 6 to the accounts.