

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

	2006	As restated ⁽¹⁾ 2005	Change	
	HK\$ millions	HK\$ millions		
Total revenue⁽²⁾				
Ports and related services	33,041	29,917	+	10%
Property and hotels	10,717	10,265	+	4%
Retail	99,149	88,780	+	12%
Cheung Kong Infrastructure	14,822	16,590	-	11%
Husky Energy	29,981	22,879	+	31%
Finance & Investments and others	12,614	10,530	+	20%
Hutchison Telecommunications International	16,672	25,399	-	34%
3 Group	50,668	37,502	+	35%
Total	267,664	241,862	+	11%
EBIT⁽²⁾				
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				
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%
Tax				
Current tax	(4,833)	(4,119)	-	17%
Deferred tax	(2,318)	3,253	-	171%
Profit after tax	23,390	13,576	+	72%
Minority interests	(3,360)	767	-	538%
Profit attributable to shareholders	20,030	14,343	+	40%

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

(2) 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.