

**Hutchison 3G UK Holdings Limited**

**Registered Number 3918124**

**Annual Report**

**For the Year Ended 31 December 2014**

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# Hutchison 3G UK Holdings Limited

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# Hutchison 3G UK Holdings Limited

## Strategic Report for the year ended 31 December 2014

### a) Business review

Hutchison 3G UK Holdings Limited (the "Company") is an indirect wholly owned subsidiary of Hutchison Whampoa Limited ("HWL"), a company listed on The Stock Exchange of Hong Kong Limited and incorporated in Hong Kong.

The Company is a holding company and its business is to invest in its subsidiaries and to provide them with funding. This funding is financed by borrowings from HWL Group companies.

On 23 January 2015, the HWL Group has agreed to enter into exclusive negotiations with Telefónica, S.A. for the potential acquisition by the Group of Telefónica, S.A.'s UK subsidiary, O2 UK, for an indicative price in cash of £9.25 billion which would be paid at closing and deferred upside interest sharing payments of up to a further £1 billion in the aggregate payable after the cumulative cashflow of the combined business of Hutchison 3G UK Limited and O2 UK achieves agreed financial targets. The timing and amounts of these payments will depend on the actual cash flows of the combined business. The transaction remains subject to, inter alia, satisfactory due diligence over O2 UK, agreement on terms and signing of definitive agreements and the obtaining of all required corporate and regulatory approvals.

### b) Analysis of development and performance of the business

As the Company is in the business of securing finance from HWL Group companies and on-lending to its subsidiaries, the key financial performance indicator for internal performance analysis is its interest expense as shown in the table below:

	For the year ended 31 December	
	2014	2013
	£'m	£'m
Interest expense	138	138

### c) Principal risks and uncertainties

#### Liquidity risk

The Company has obtained financing from its ultimate parent company, HWL, in order to meet its funding requirements. This funding is raised centrally by the HWL Group's finance companies, which mitigates the risk to the Company.

#### Interest rate cash flow risk

The Company has interest-bearing liabilities linked with the financing from the HWL Group's finance companies (details of this financing can be found in note 11 to the financial statements).

#### Credit risk

The Company extends the funding from the HWL Group finance companies to its subsidiaries as interest free loans. The Company has received written confirmation from HWL of its current intention to provide ongoing financial support to the Company and its subsidiaries to enable them to meet their liabilities for at least one year from the date of this annual report.

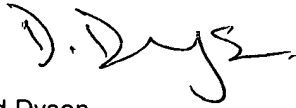
# Hutchison 3G UK Holdings Limited

## Strategic Report for the year ended 31 December 2014 (continued)

### d) Outlook

The directors do not expect any change in the Company's activities in the foreseeable future.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'D. Dyson', with a stylized flourish at the end.

David Dyson

**Director**

Date: 25 March 2015

# Hutchison 3G UK Holdings Limited

## Directors' Report for the year ended 31 December 2014

The directors present their report and the audited financial statements of Hutchison 3G UK Holdings Limited (the "Company") with registered number 3918124 for the year ended 31 December 2014.

### Directors

The directors who held office during the year and up to the date of signing the financial statements are as follows:

Canning Fok  
Victor Li  
Susan Chow  
Frank Sixt  
Dominic Lai  
Edith Shih  
Christian Salbaing  
David Dyson  
Neil McGee

### Directors' indemnities

The Company has granted third party indemnities to the above directors, capped at an individual limit of US\$20 million for any one claim and in the annual aggregate inclusive of costs and expenses, in relation to certain losses and liabilities which they may incur in the course of acting as directors of the Company or of one or more of its subsidiaries.

The indemnities are categorised as qualifying third-party indemnities for the purposes of the Companies Act 2006 and will continue in force for the benefit of directors and officers for as long as they remain in their positions.

### Dividend

The directors do not recommend the payment of a dividend for the year (2013: £nil).

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

# Hutchison 3G UK Holdings Limited

## Directors' Report for the year ended 31 December 2014 (continued)

### Statement of directors' responsibilities (continued)

The directors believe that the adoption of the going concern basis in the preparation of the financial statements is appropriate as sufficient funding is available and in place through the HWL Group finance companies.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the steps that ought to be taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to be reappointed and are deemed to be reappointed as auditors unless otherwise resolved by the directors or shareholders.

On behalf of the Board



David Dyson  
**Director**

Date: 25 March 2015

# Hutchison 3G UK Holdings Limited

## Independent auditors' report to the members of Hutchison 3G UK Holdings Limited

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Hutchison 3G UK Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

Hutchison 3G UK Holdings Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# Hutchison 3G UK Holdings Limited

## Independent auditors' report to the members of Hutchison 3G UK Holdings Limited (continued)

### Responsibilities for the financial statements and the audit

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **What an audit of financial statements involves**

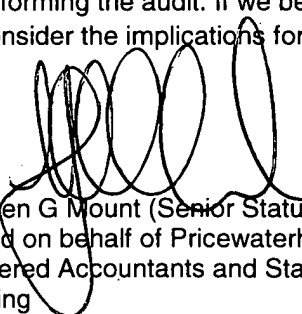
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Stephen G Mount (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading

25 MAR 2015



# Hutchison 3G UK Holdings Limited

## Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £000	2013 £000
Interest payable and similar charges	4	(137,818)	(138,447)
<b>Loss on ordinary activities before taxation</b>		<b>(137,818)</b>	<b>(138,447)</b>
Tax credit on loss on ordinary activities	6	4,780	4,836
<b>Loss for the financial year</b>	<b>13</b>	<b>(133,038)</b>	<b>(133,611)</b>

All the results relate to activities which are continuing.

There is no difference between the loss on ordinary activities after taxation and the loss for the financial year stated above and their historical cost equivalents. There are no recognised gains or losses in either year other than a loss for the financial year, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 10 to 17 form an integral part of these financial statements.

# Hutchison 3G UK Holdings Limited

Registered number 3918124

## Balance Sheet as at 31 December 2014

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Investments in subsidiary undertakings	7	4,445,487	4,445,487
<b>Current assets</b>			
Debtors – amounts falling due within one year	8	6,920,654	145,000
Debtors – amounts falling due after more than one year	8	-	6,960,642
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	9	(4,363,326)	(1,124,639)
<b>Net current assets</b>		2,557,328	5,981,003
<b>Total assets less current liabilities</b>		7,002,815	10,426,490
<b>Creditors – amounts falling due after more than one year</b>	10	(4,099,703)	(7,390,340)
<b>Net assets</b>		2,903,112	3,036,150
<b>Capital and reserves</b>			
Called up share capital	12	4,445,487	4,445,487
Profit and loss account	13	(1,542,375)	(1,409,337)
<b>Total shareholders' funds</b>	14	2,903,112	3,036,150

The notes on pages 10 to 17 form an integral part of these financial statements.

The financial statements on pages 8 to 17 were approved by the Board of Directors on 20 March 2015 and were signed on its behalf by:



David Dyson  
Director  
25 March 2015

# Hutchison 3G UK Holdings Limited

## Notes to the financial statements for the year ended 31 December 2014

### 1 Significant accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards. Significant accounting policies, which have been applied consistently, are as set out below.

The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Hutchison 3G UK Holdings Limited (the "Company") will continue in business. The directors believe that the adoption of the going concern basis in the preparation of the financial statements is appropriate as the Company's ultimate parent entity, Hutchison Whampoa Limited ("HWL"), has confirmed that it will provide the necessary financial support for 12 months from the date of approval of these financial statements.

The Company has taken advantage of the provisions under Section 401 of the Companies Act 2006 from producing consolidated financial statements as it is an indirect wholly owned subsidiary of HWL, a company listed on The Stock Exchange of Hong Kong Limited, which prepares consolidated financial statements.

#### (b) Investments

Investments in subsidiaries are recorded at cost, less provision for any impairment.

#### (c) Taxation

Current tax is provided at amounts expected to paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Current tax includes payments received, or expected to be received, in relation to amounts surrendered as group relief to other UK group undertakings.

Deferred tax is provided in full on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### (d) Finance cost

Costs incurred in raising debt finance are deducted from the amount raised and amortised over the period of the debt facility to produce a constant rate of financing charge. Other finance costs are charged to the profit and loss account on an accruals basis.

#### (e) Debtors

Debtors are stated at the amount loaned to subsidiary companies. Loans receivable are carried at amortised cost using the effective interest rate method less any allowance for estimated impairments. A provision is established for impairments when there is objective evidence that the Company will not be able to collect all amounts due under the original terms of the loan. Interest income, together with losses arising when the loans are impaired, are recognised using the Effective Interest Rate method ("EIR") in the profit and loss account.

# Hutchison 3G UK Holdings Limited

## Notes to the financial statements for the year ended 31 December 2014

### 1 Significant accounting policies (continued)

#### (f) Loans

Obligations for loans are recognised when the Company becomes party to the contract. They are measured initially at the fair value of consideration received less directly attributable transaction costs, and subsequently at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as an interest charge in the profit and loss account.

### 2 Cash flow statement

The Company has taken advantage of the provisions under FRS 1 'Cash Flow Statements' (revised 1996) from producing a cash flow statement as it is an indirect wholly owned subsidiary of HWL, a company listed on The Stock Exchange of Hong Kong Limited, which prepares a consolidated cash flow statement incorporating the cash flows of the Company.

### 3 Directors and employees

The emoluments of directors are not paid to them in their capacity as directors of the Company and are payable by subsidiary companies for services wholly attributable to subsidiary companies. Emoluments were paid to one director (2013: one director) by a subsidiary undertaking in his capacity as director of that undertaking and for services wholly attributable to that subsidiary undertaking. The other directors are paid by other group companies for services rendered to those companies. Accordingly, no charge has been included in the profit and loss account of the Company.

There were no employees of the Company during the year (2013: nil).

### 4 Interest payable and similar charges

	2014 £000	2013 £000
Interest payable on amount owed to group undertakings	137,374	138,027
Amortisation of loan facility fee owed to group undertakings	444	420
	<u>137,818</u>	<u>138,447</u>

### 5 Auditors' remuneration

	2014 £000	2013 £000
Fee for audit services	<u>30</u>	<u>30</u>

Audit fees relating to the Company were borne by its subsidiary, Hutchison 3G UK Limited ("3 UK").

# Hutchison 3G UK Holdings Limited

## Notes to the financial statements for the year ended 31 December 2014

### 6 Tax credit on loss on ordinary activities

	2014 £000	2013 £000
<b>Current tax</b>		
Adjustments in respect of prior years group relief	4,780	4,836
Total current tax credit	4,780	4,836
<b>Tax credit on loss on ordinary activities</b>	<b>4,780</b>	<b>4,836</b>

The tax credit for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The difference is explained below:

	2014 £000	2013 £000
<b>Loss on ordinary activities before taxation</b>	<b>(137,818)</b>	<b>(138,447)</b>
Tax on loss on ordinary activities at the standard rate of corporation tax in the UK at 21.5% (2013: 23.25%)	29,631	32,189
Effect of:		
Permanent differences	(8,197)	(5,654)
Timing differences carried forward	11,825	-
Effect of losses surrendered via group relief	(3,192)	(26,535)
Losses for the period carried forward	(30,067)	-
Adjustments in respect of prior years group relief	4,780	4,836
<b>Total current tax credit for the year</b>	<b>4,780</b>	<b>4,836</b>

The Company's corporation tax rate for the year ended 31 December 2014 is 21.5% (2013: 23.25%). The Finance Act 2013 reduced the main rate of corporation tax from 23% to 21% as of 1 April 2014.

The Company has an unrecognised deferred tax asset of £175 million (2013: £110 million) in respect of losses and timing differences which would be recoverable when sufficient future taxable profits have been earned. The Finance Act 2013 reduced the main rate of corporation tax from 21% to 20% as of 1 April 2015, therefore the unrecognised deferred tax asset has been calculated at the rate which will be in force when the attributes are expected to unwind.

# Hutchison 3G UK Holdings Limited

## Notes to the financial statements for the year ended 31 December 2014

### 7 Investments in subsidiary undertakings

	2014 £000	2013 £000
At 1 January and 31 December	<u>4,445,487</u>	<u>4,445,487</u>

The above represents an interest-free loan investment in 3 UK of £4,445 million (2013: £4,445 million), underwritten by the ultimate parent company, HWL.

Shareholdings in subsidiary companies are as follows:

Subsidiary	Country of Incorporation	Percentage Holding	Ordinary Shares 2014	Ordinary Shares 2013	Cost 2014	Cost 2013	Principal activity
Hutchison 3G UK Limited	UK	100%	1	1	£1	£1	Provision of 3G communication services
Hutchison 3G Ireland Limited (now called Three Ireland (Hutchison) Limited)	Republic of Ireland	- (2013:100%)	-	2	-	€2	Provision of 3G communication services
Hutchison Westminster Limited	British Virgin Islands	100%	1	1	US\$1	US\$1	Leverage 3G customer relationships
Hutchison Lambeth Limited	British Virgin Islands	100%	1	1	US\$1	US\$1	Leverage 3G customer relationships
Advanced Telecoms Debt Collection Services Limited	UK	100%	1	1	£1	£1	Collect overdue customer debt
Fanster Gain Limited	British Virgin Islands	100%	1	1	US\$1	US\$1	Dormant company
3UK Retail Limited	UK	100%	1,000	1,000	£1,000	£1,000	Holding store leases for the Company
Hutchison UK Receivables Limited	UK	100%	2	2	£2	£2	Purchase and sale of handset receivables
Hutchison UK Receivables Hove Limited	UK	100%	2	2	£2	£2	Purchase and sale of handset receivables
ID Communications Limited	UK	100%	1	-	£1	-	Provision of mobile services to end users in the United Kingdom

During the year the Company sold its shareholding in Hutchison 3G Ireland Limited (now called Three Ireland (Hutchison) Limited), at cost of €2, to fellow group undertaking Hutchison 3G Ireland Holdings Limited.

# Hutchison 3G UK Holdings Limited

## Notes to the financial statements for the year ended 31 December 2014

### 8 Debtors

	2014 £000	2013 £000
<b>Amounts owed by group undertakings</b>		
Falling due within one year	<u>6,920,654</u>	145,000
Falling due after more than one year	<u>-</u>	6,960,642

Amounts owed by subsidiary undertakings due within one year include:

- accrued interest of £145 million (2013: £145 million) on a loan provided to 3 UK. This amount is presented as falling due within one year as it repayable on demand.
- an interest-free loan provided to 3 UK of £5,743 million (2013: £5,456 million due after more than one year) against a facility of £6,750 million, repayable on 30 June 2015.
- an interest-free loan provided to 3 UK of £1,000 million (2013: £1,000 million due after more than one year) against a facility of £1,000 million, repayable on 30 June 2015.
- an interest-free loan provided to Hutchison Westminster Limited of £nil million (2013: £59 million due after more than one year) against a facility of £1,100 million, repayable on 30 June 2015.
- an interest-free loan provided to Hutchison Lambeth Limited of £33 million (2013: £446 million due after more than one year) against a facility of £450 million, repayable on 30 June 2015.

Amounts owed by subsidiary undertakings are unsecured. HWL has provided a guarantee in respect of the loans to 3 UK.

### 9 Creditors – amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings – trading balances	26,195	30,975
Amounts owed to group undertakings – loans (note 11)	3,200,468	-
Amounts owed to group undertakings – accrued interest	1,136,663	1,093,664
	<u>4,363,326</u>	1,124,639

Trading balances due to group undertakings are unsecured and non-interest bearing. Accrued interest and loans due to group undertakings are unsecured.

### 10 Creditors – amounts falling due after more than one year

	2014 £000	2013 £000
Amount owed to group undertakings – loans (note 11)	<u>4,099,703</u>	7,390,340

Amounts owed to group undertakings are unsecured.

# Hutchison 3G UK Holdings Limited

## Notes to the financial statements for the year ended 31 December 2014

### 11 Loans and other borrowings

<b>Maturity of debt</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts owed to group undertakings</b>		
In less than one year (note 9)	3,200,468	-
In one to two years (note 10)	-	3,162,029
In two to five years (note 10)	298,438	298,248
In greater than five years (note 10)	3,801,265	3,930,063
	<b>7,300,171</b>	<b>7,390,340</b>

<b>Lender</b>	<b>Facility (GBP in millions)</b>	<b>Interest</b>	<b>Repayment date</b>	<b>Drawdown (GBP in millions)</b>	
				<b>2014</b>	<b>2013</b>
Hutchison Whampoa Europe Investments S.à r.l.	1,500	LIBOR + 2.32%	June 2015	1,300	1,300
Hutchison Whampoa Europe Investments S.à r.l.	1,000	LIBOR + 3.02%	June 2015	662	662
Hutchison Whampoa Europe Investments S.à r.l.	1,200	LIBOR + 2.32%	June 2015	1,200	1,200
Hutchison Whampoa Finance UK plc	300	5.625%	November 2017	298	298
Hutchison Whampoa Finance UK plc	400	5.625%	November 2026	397	397
Hutchison Whampoa Europe Investments S.à r.l.	4,000	Interest free	June 2065	3,403	3,533
Hutchison Westminster Limited	38	Interest free	On demand	38	-

### 12 Called up share capital

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted and fully paid:</b>		
4,445,486,753 (2013: 4,445,486,753) ordinary shares of £1 each	<b>4,445,487</b>	<b>4,445,487</b>



# Hutchison 3G UK Holdings Limited

## Notes to the financial statements for the year ended 31 December 2014

### 13 Profit and loss account

	2014 £000	2013 £000
At 1 January	(1,409,337)	(1,275,726)
Loss for the financial year	(133,038)	(133,611)
<b>At 31 December</b>	<b>(1,542,375)</b>	<b>(1,409,337)</b>

### 14 Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
At 1 January	3,036,150	3,169,761
Loss for the financial year	(133,038)	(133,611)
<b>At 31 December</b>	<b>2,903,112</b>	<b>3,036,150</b>

### 15 Related party transactions

As the Company is an indirect wholly owned subsidiary of HWL, it has taken advantage of the exemption provided in FRS 8 'Related Party Disclosures' not to disclose details of transactions with the HWL Group companies (the "HWL Group"). The Company is included in the consolidation of HWL and the consolidated financial statements are publicly available.

There are no transactions between the Company and any related parties that are not wholly owned by the HWL Group.

### 16 Ultimate controlling party

The immediate controlling party is Hutchison 3G UK Investments S.à r.l., a company incorporated in Luxembourg, which owns 50.1% of the share capital and voting rights of the Company.

HWL, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in Hong Kong, is the largest group to consolidate these financial statements, and is the Company's ultimate controlling party and owns, through Hutchison 3G UK Investments S.à r.l. and other HWL Group companies, 100% of the share capital and voting rights of the Company. Hutchison International Limited, an intermediate holding company, 100% owned by HWL, is the smallest group to consolidate these financial statements.

Copies of the group financial statements of HWL may be obtained from the Company Secretary at 22<sup>nd</sup> Floor, Hutchison House, 10 Harcourt Road, Hong Kong or [www.hutchison-whampoa.com](http://www.hutchison-whampoa.com).

# Hutchison 3G UK Holdings Limited

## Notes to the financial statements for the year ended 31 December 2014

### 17 Post balance sheet events

On 23 January 2015, the HWL Group has agreed to enter into exclusive negotiations with Telefónica, S.A. for the potential acquisition by the Group of Telefónica, S.A.'s UK subsidiary, O2 UK, for an indicative price in cash of £9.25 billion which would be paid at closing and deferred upside interest sharing payments of up to a further £1 billion in the aggregate payable after the cumulative cashflow of the combined business of Hutchison 3G UK Limited and O2 UK achieves agreed financial targets. The timing and amounts of these payments will depend on the actual cash flows of the combined business. The transaction remains subject to, inter alia, satisfactory due diligence over O2 UK, agreement on terms and signing of definitive agreements and the obtaining of all required corporate and regulatory approvals.