



中信國際電訊集團有限公司

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED (stock code : 01883)

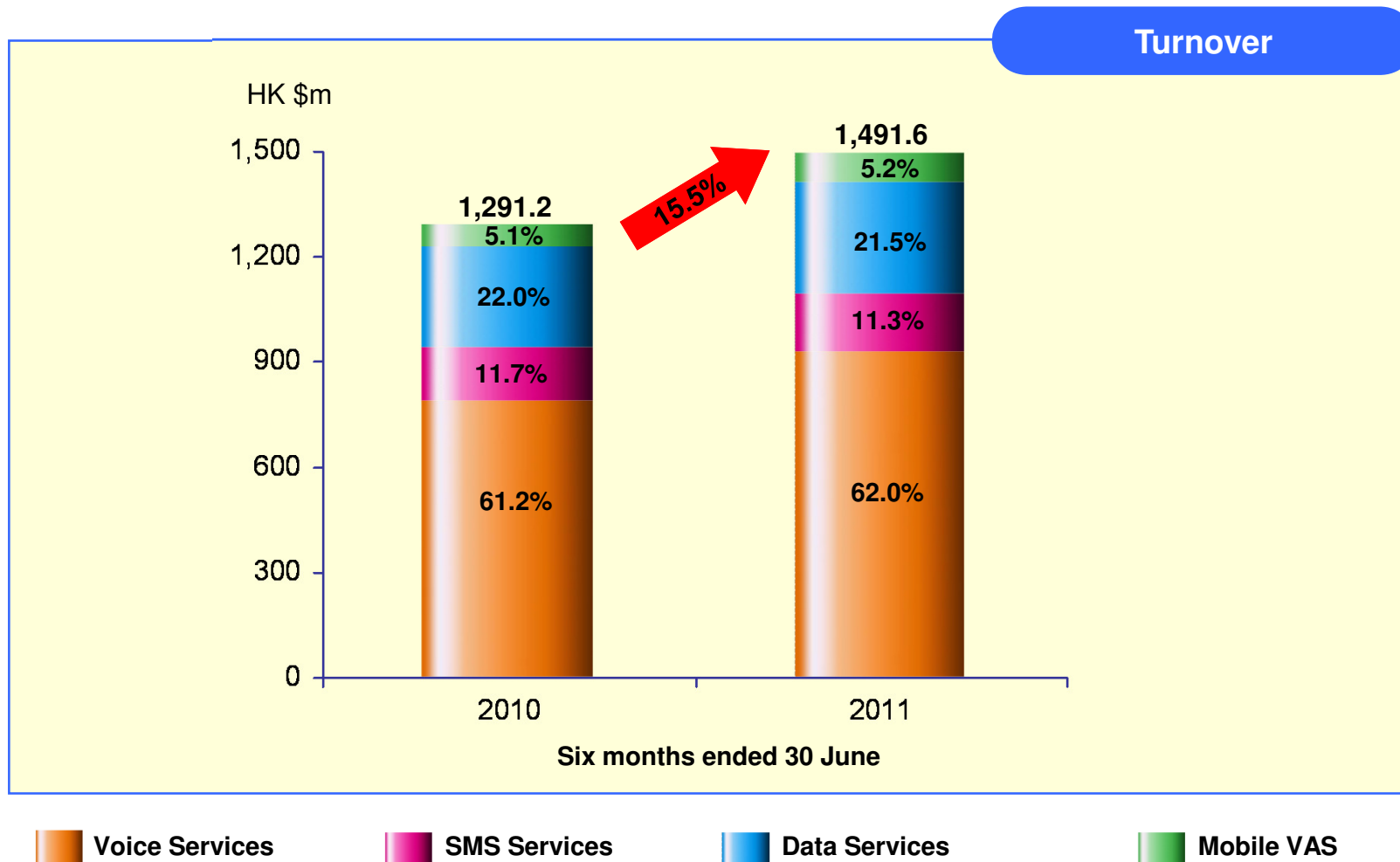
**Interim Results Announcement
for the six months ended 30 June 2011
12 August 2011**

Highlights for the Six Months Ended 30 June 2011

- Profit attributable to the equity holders of the Company increased by 29.8% to **HK\$233.8 million**, as compared against last year
- Turnover recorded a growth of 15.5% as compared to 2010
- At 30 June 2011, cash and bank deposits was **HK\$309.4 million**
- No debt as at 30 June 2011
- Interim dividend of **2.4 cents** (2010 Interim: 2.4 cents)

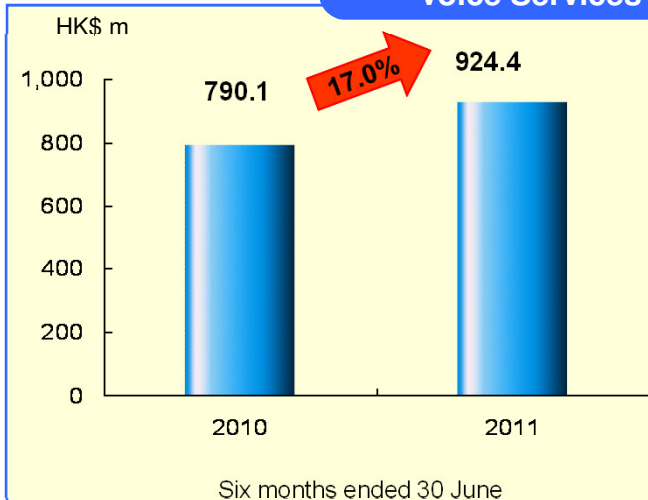
Turnover

- Turnover increased 15.5% to HK\$1,491.6 million when compared with last year

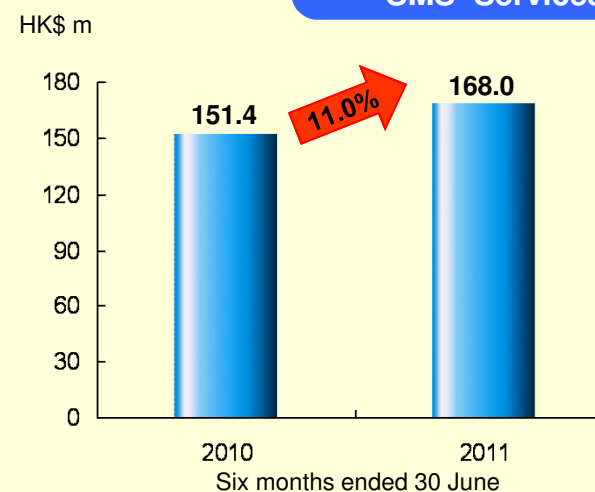


Turnover of Four Major Business Segments

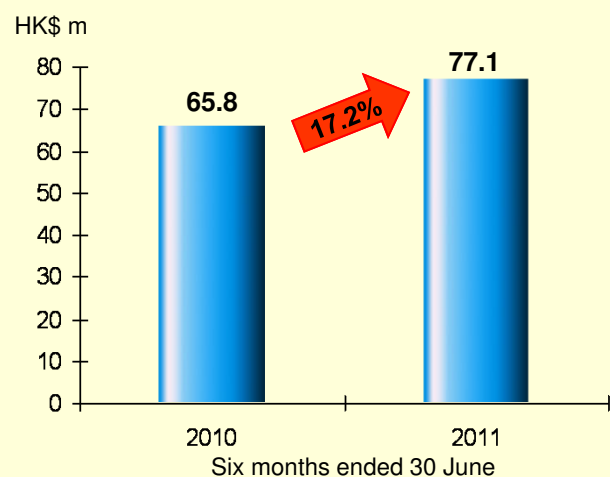
Voice Services



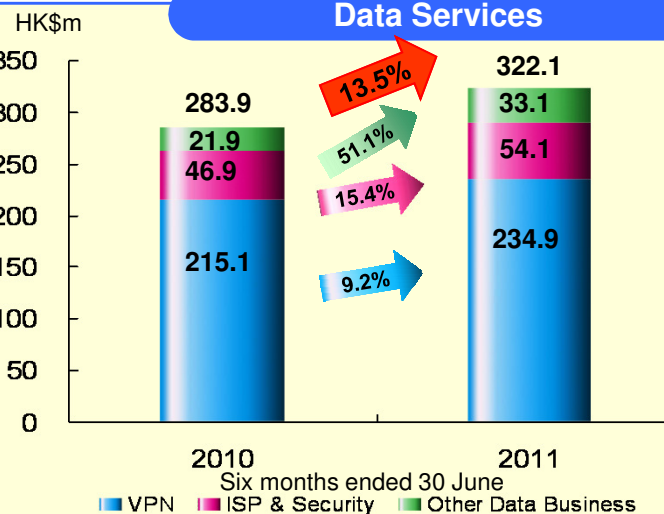
SMS Services



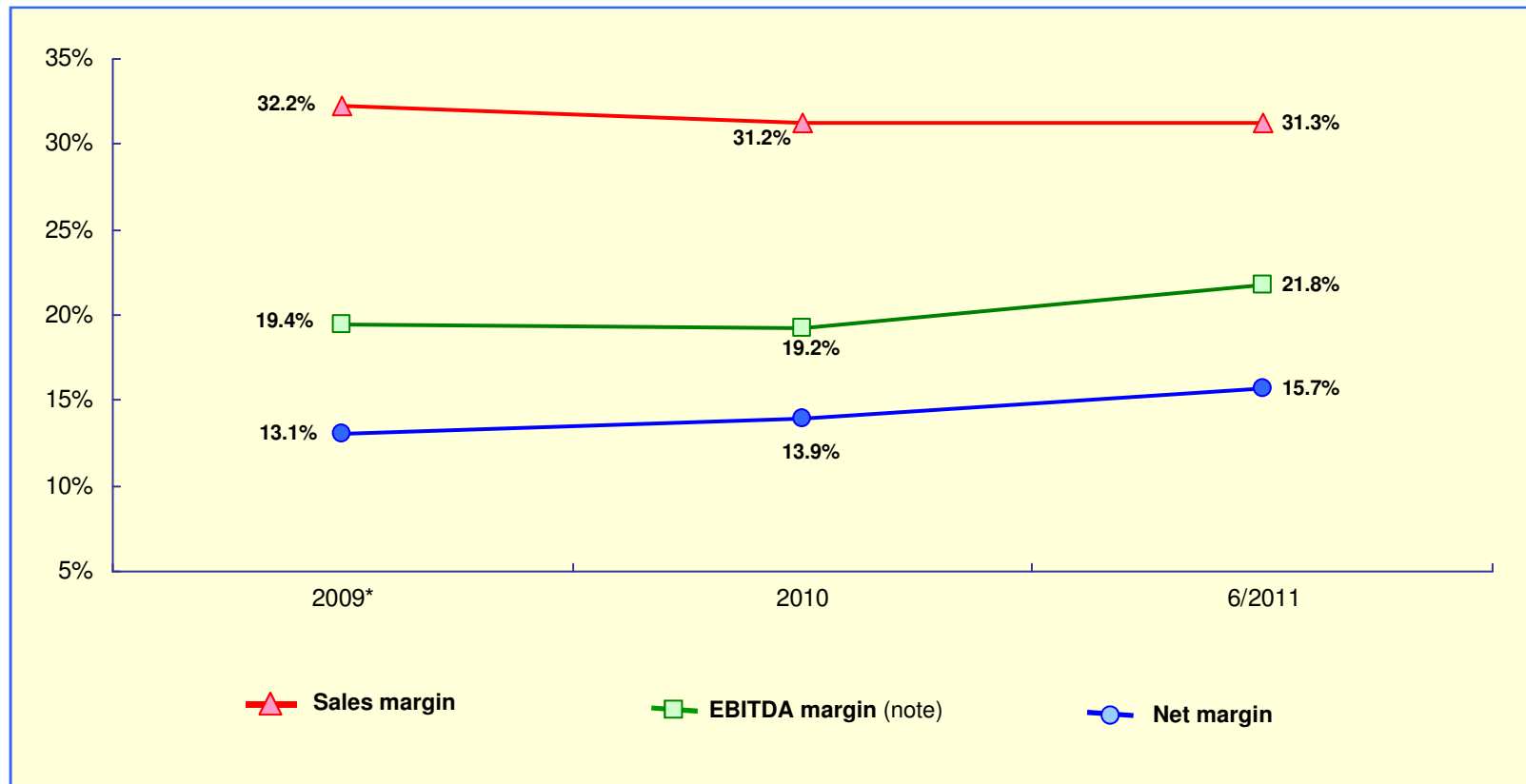
Mobile VAS



Data Services



Sustain Solid Margin



* After turnover re-allocation

Sales margin = (Turnover- Network, operations and support expenses) / Turnover

Note: EBITDA Margin includes profit contribution from associated company

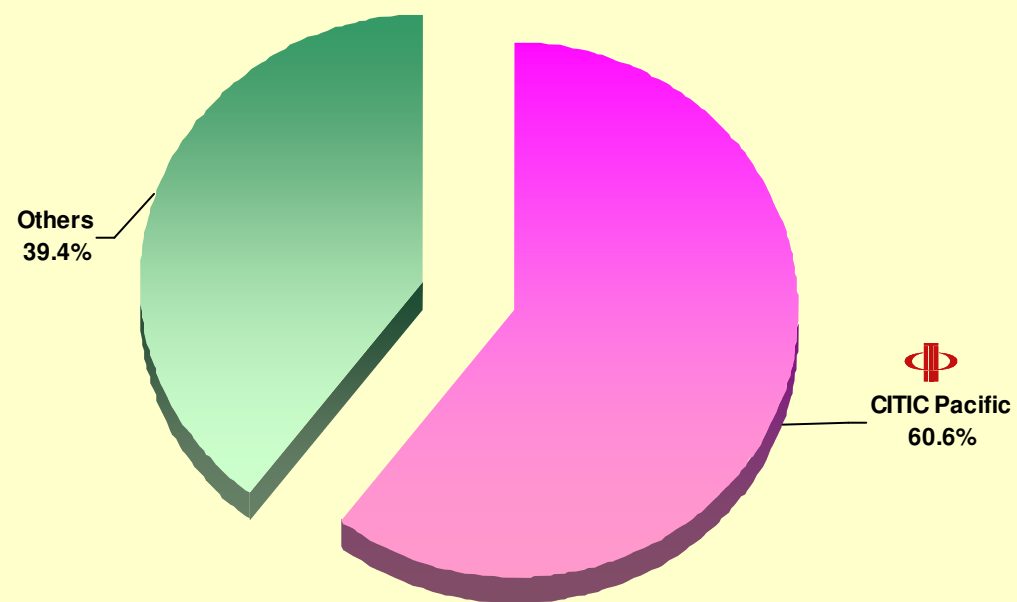
Strong Liquidity and Capital Structure

	2009	2010	2011
HK\$m	30 June	30 June	30 June
Operating profit before changes in working capital	261.8	255.5	251.3
Net cash generated from operating activities	241.6	222.6	193.8
Capital expenditures			
- CITIC Telecom Tower	NIL	2.3	40.3
- Other	36.5	43.6	26.1

HK\$m	At 31 Dec 2009	At 31 Dec 2010	At 30 Jun 2011
Cash and bank deposits	686.2	327.0	309.4
Bank Borrowings	- NIL -	- NIL -	- NIL -
Gearing ratio	Net Cash	Net Cash	Net Cash



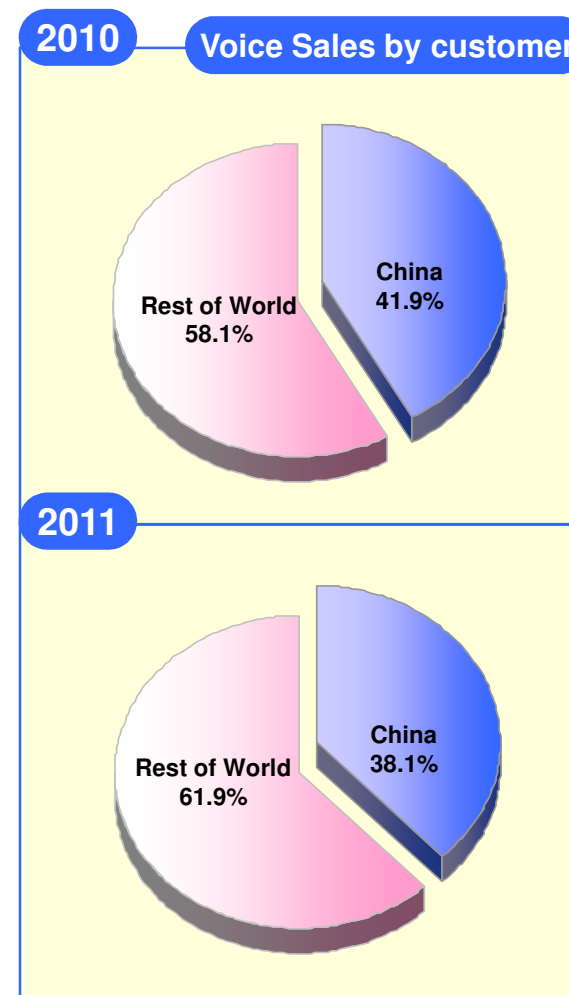
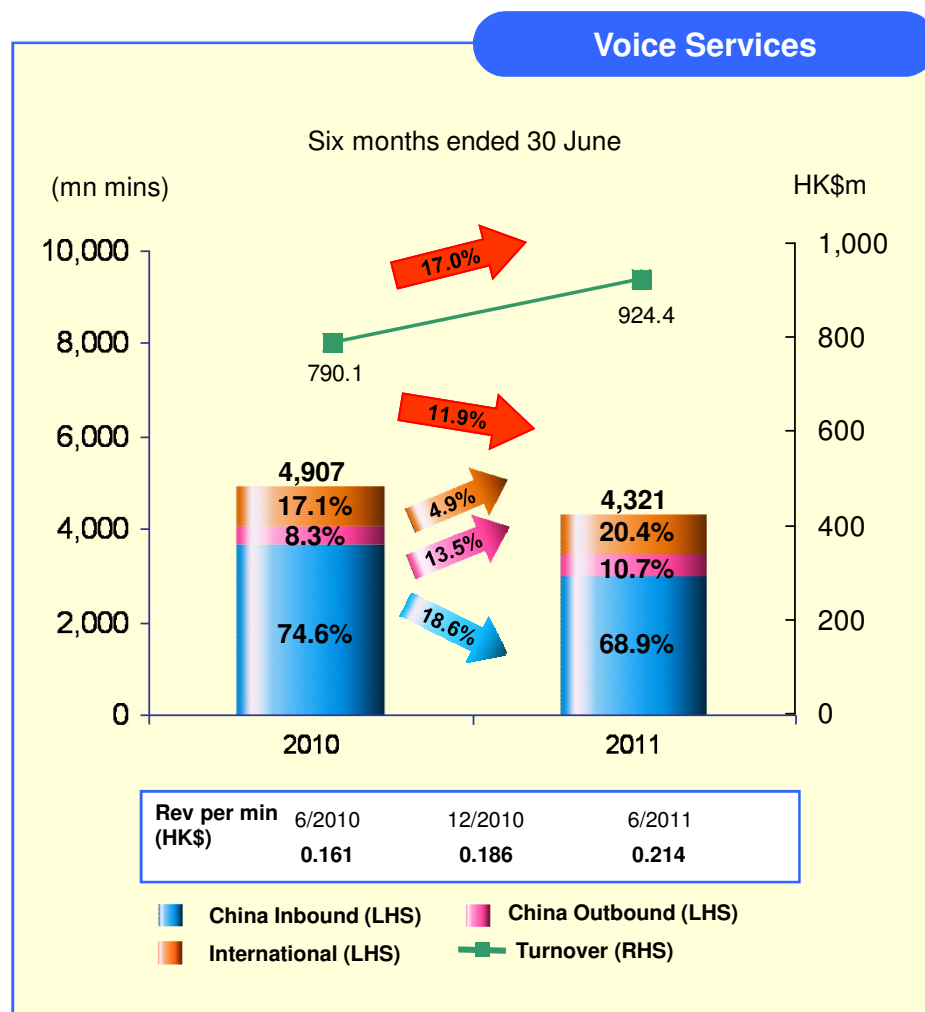
Shareholding Structure



Business Review

Major Business Segment – Voice Services

Handled over 4.32bn mins voice traffic



Six months ended 30 June



中信國際電訊
CITIC TELECOM INTERNATIONAL

Major Business Segment – Voice Services

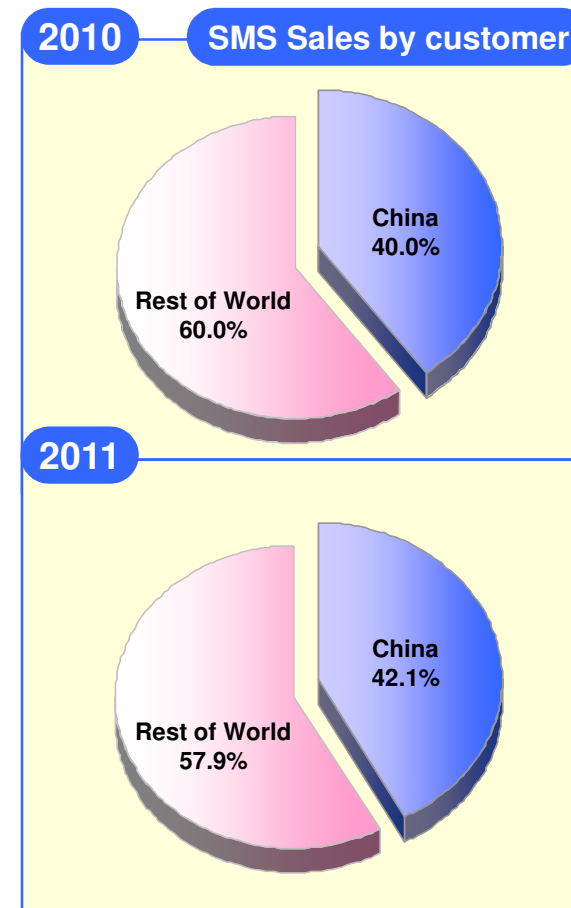
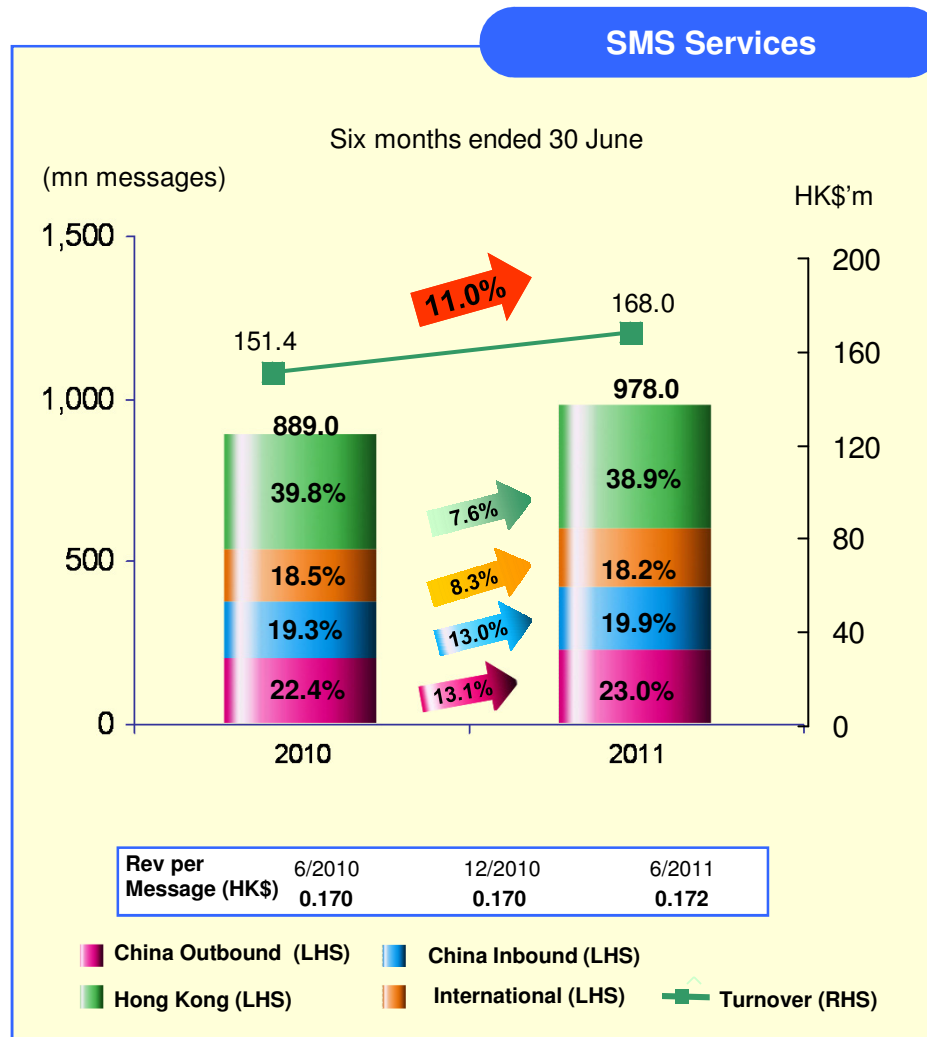
- Upgrade global MPLS network capacity to improve network resilient to cater business growth
- Strong growth in overseas operation with significant increase in traffic volume and turnover. Taiwan and Singapore calling card business keep high growth since 2nd half of 2010 while overall wholesales and enterprise business maintain stable growth in the 1st half of 2011
- Started operation in Brazil through a strategic co-operation with a local partner offering business and residential VOIP service
- Continue growth in voice value added service ie 3G video call, High Definition (HD) voice and IPX connections
- Increased 19 new international carrier connection in 2011
- Speeded up market coverage expansion into Myanmar, Indonesia, Middle East and Africa Region. Set up a Representative Office in Dubai
- Challenge in the period :
 - Intensive market competition from non-traditional telecom service such as social networks and smartphone apps



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Major Business Segment – SMS Services

Handled approximately 0.98 bn SMS messages



Six months ended 30 June



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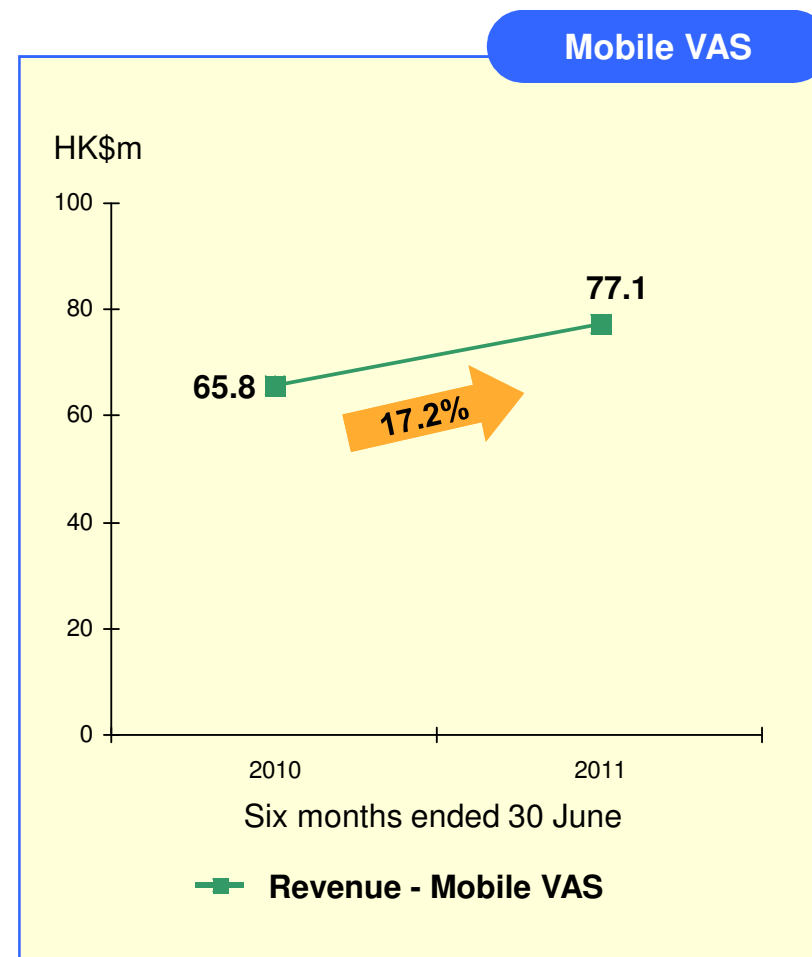
Major Business Segment – SMS Services

- Remains as the dominant Inter-Operator SMS provider in Hong Kong
- Further strengthening relationship with key international customers, increasing SMS traffic through expanding new international destinations
- Signed up new MNO customers in Asia, Middle East and CIS Region
- Through acquiring new customers and expanding destinations for key customers, Enterprise SMS enjoyed strong growth of 36%
- Looking to replicate Enterprise SMS success story to other countries, by leveraging local presences in our offices worldwide



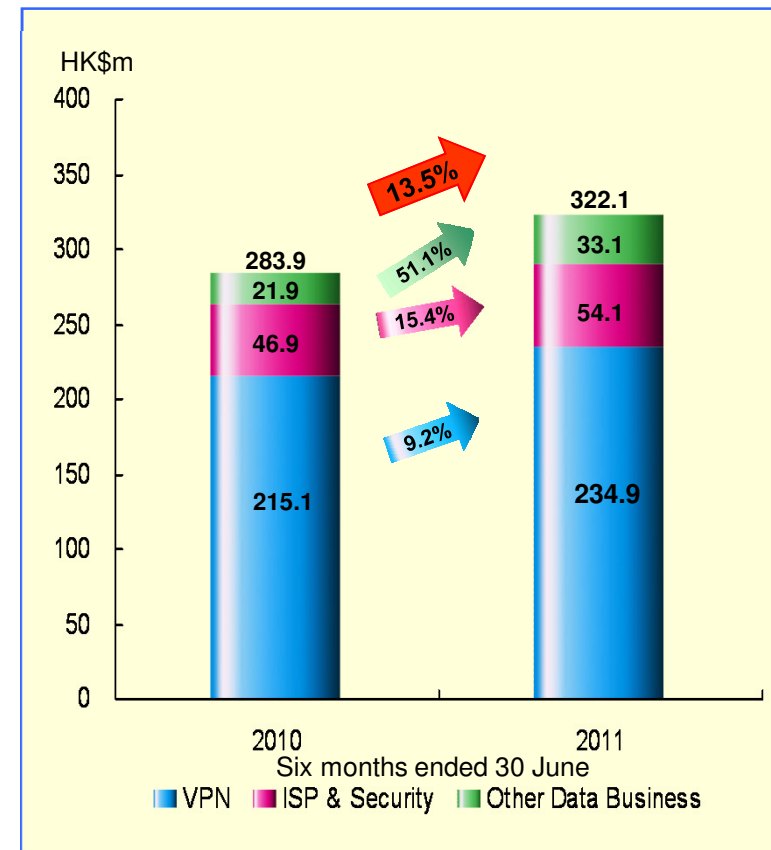
Major Business Segment – Mobile VAS

- Remains as the leading international signaling provider in Asia Pacific, enjoying strong growth in key markets like China and Philippines
- Expanded Signaling Coverage to 800 Destinations, including North and Central America
- More than 10 MNO signed up Prepaid Roaming Contracts, cementing our position as the market leader in CAMEL Hub business
- Extended Roaming Business to Africa, helping African MNO to expand roaming coverage to over 200 destinations
- Positive reactions from MNO on our IPX service bundling, leveraging our strong market position in voice and data
- Developing new services to be launched within 2011 for sustainable business growth



Major Business Segment – Data Business

- Continue to maintain stable revenue growth and profit margin
- CITIC Telecom CPC - First HK VPN service provider certified for ISO9001 (Quality Management Systems), ISO20000 (Information Technology Service Management System) and ISO27001 (Information Security Management System)
- Innovative Products launched in 2011 1H
 - SmartCLOUD M@il – A powerful collaboration client not only easily to connect everyone, but also store and synching email, calendar, contacts, files and documents in the cloud. It is seamlessly compatible with various platforms and hardware, including Windows, Mac and Linux OS, as well as the latest smartphones and mobile devices
 - SmartCLOUD Compute – A revolutionary virtual server solution delivers high-performance cloud computing resources that are at total command of enterprises. Companies of any size can boost business efficiency and security scale without barriers due to instant access to virtual memory, storage, CPU, networks and physical ports. It is the only cloud computing solution with true disaster recovery capability in Hong Kong
- Completed the acquisition of China Enterprise Netcom Corporation Limited (CEC-HK) in July 2011. The application for CEPA approval on the acquisition of China Enterprise Communication Ltd. is in progress



Cloud Computing Service

Market Snapshot

 As per IDC's first cloud computing survey on May 2010:

44%↑

Private cloud server revenue —

from 8.2 billion US dollar in 2009 to 11.8 billion by US dollar 2014

310%↑

Servers deployed in private clouds —

from 122,615 in 2009 to 502,626 in 2014

24%↑

Public cloud revenue —

from 582 million US dollar in 2009 to 718 million US dollar in 2014

Cloud Computing Markets Growing Fast



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Cloud Computing Service

APAC MARKET SNAPSHOT

- Spending on cloud computing will accelerate throughout the forecast period by rapid adoption of private cloud technologies, capturing 40% of IT spending growth in 2014 , accordingly to IDC
- Forrester predicts Cloud Security market will grow to 1.5 billion U.S. dollars by 2015

CHINA MARKET SNAPSHOT

- In 2010 the market scale of China's cloud services have to reach 3.2 billion U.S. dollars, the future will be nearly 40% compound annual growth rate

Gartner ranked Cloud Computing as the TOP 1 technology that one can't afford to ignore for 2 consecutive years.

Cloud Computing Service



CITIC TELECOM CPC



*Smart***CLOUD**

Cloud Computing Solutions officially launched on
14 July 2011



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CITIC TELECOM INTERNATIONAL

Cloud Computing Service

SmartCLOUD Service Profile

SmartCLOUD Compute

- Companies of any size can boost business efficiency and security scale without barriers due to instant access to virtual memory, storage, CPU, networks and physical ports
- It is the only cloud computing solution with true disaster recovery capability in Hong Kong

SmartCLOUD Director

- Enterprises can fully manage their Virtual Cloud Computing Resources Pool for instant and dynamic resource allocation in real-time

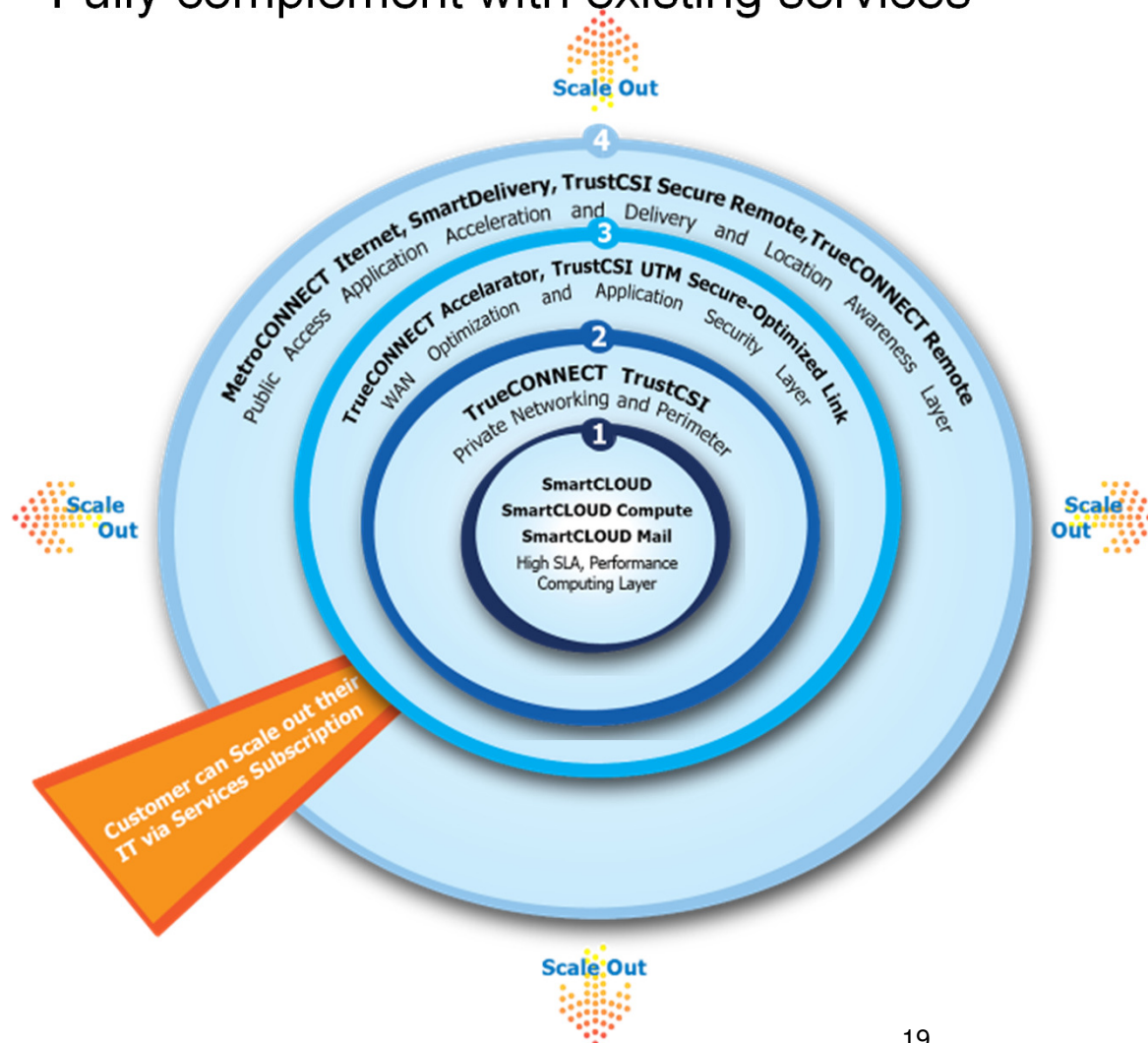
SmartCLOUD M@il

- Complete range of enterprise collaboration tools, including e-mail, calendaring and document sharing
- Compatible and sync with various platform (including Windows, Mac and Linux OS) and hardware, including latest smartphones and mobile devices

Cloud Computing Service

Scaling Out IT with SmartCLOUD and managed services

- Fully complement with existing services



Core layer : SmartCLOUD solutions help businesses to improve operational efficiencies by reducing the infrastructure deployment time and long-term administrative cost

2nd layer : TrueCONNECT™ MPLS VPN networking solutions and TrustCSI™ information security services facilitate a reliable and secure network environment for collaborations between branch offices and mobile workforces

3rd layer : TrueCONNECT™ Accelerator and TrustCSI™ UTM Secure-Optimized Link services further enhance application performance and data transmission over WAN or Internet environment

4th layer : In connecting businesses with external parties, CITIC Telecom CPC also provides a series of networking and security solutions for supporting various activities

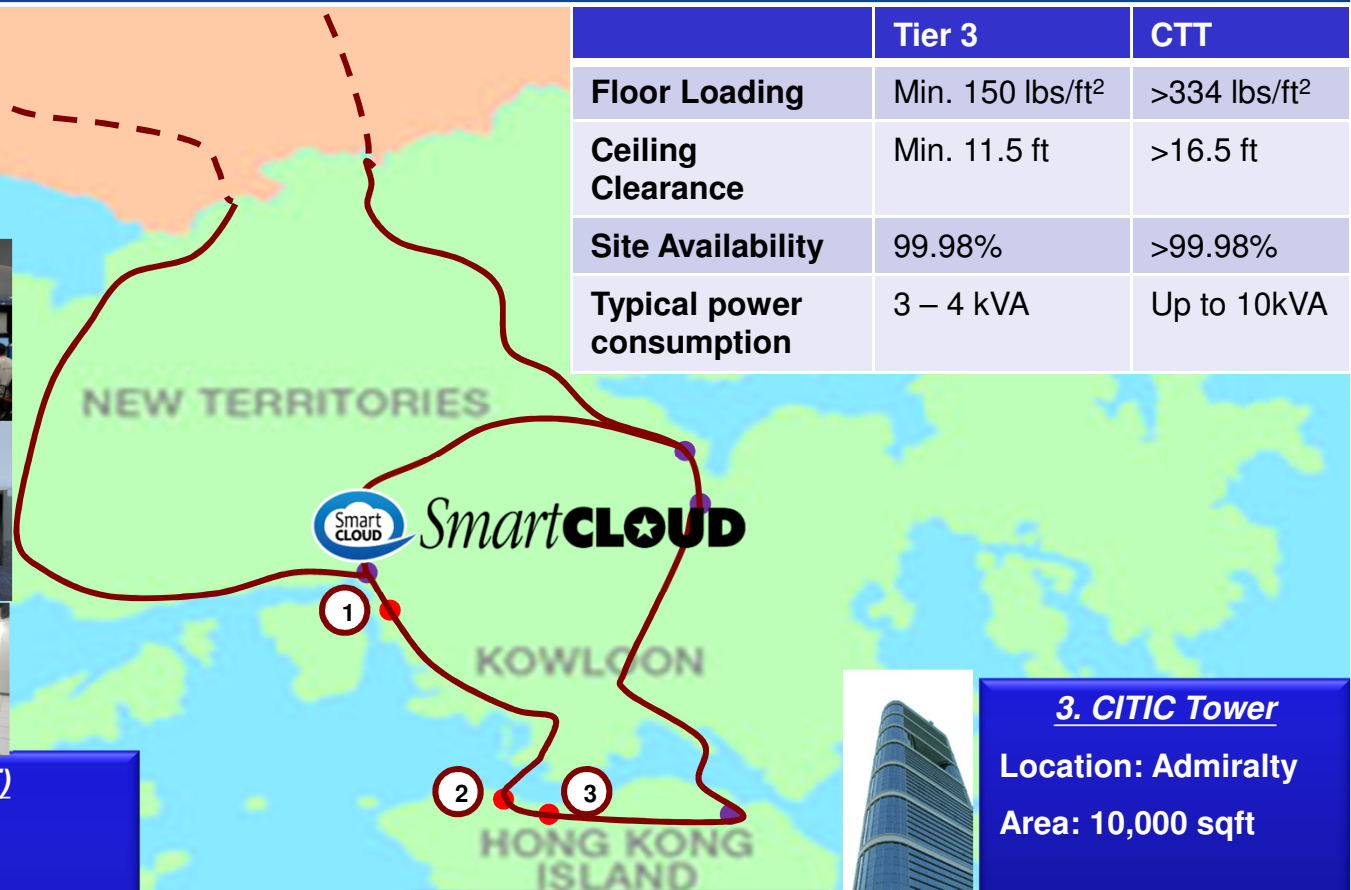
Data Business Highlight – Data Center Development

	Tier 3	CTT
Floor Loading	Min. 150 lbs/ft ²	>334 lbs/ft ²
Ceiling Clearance	Min. 11.5 ft	>16.5 ft
Site Availability	99.98%	>99.98%
Typical power consumption	3 – 4 kVA	Up to 10kVA



1. CITIC Telecom Tower (CTT)

Location: Kwai Chung
Area: 35,000 sqft (Ph 1)
 18,000 sqft (Ph 2 in Q4, 2011)
Highlight: Tier 3+ Standard
 High power zone
 “Green” power saving features



2. IFC2

Location: Central
Area: 45,000 sqft
Highlight: Dual power supplies from both CLP & HKE



3. CITIC Tower

Location: Admiralty
Area: 10,000 sqft



Prospects

Prospects

- Further develop the international voice markets and sustain a stable international voice business through coverage expansion into regions including South America and Middle East, which is complementary to positive synergies with the Group's voice business in Mainland China
- Continue to facilitate the integration of CITIC Telecom International CPC Limited ("CPC") and CEC in terms of marketing, business and assets to generate greater synergies
- Stronger efforts will also be made in the research and development of new products in SMS and Mobile VAS
- The establishment of data centres will continue as part of the Group's efforts to provide a solid foundation for future development
- Broaden its business scope by bundling cloud computing, information security and data centres to our customers
- Positive growth is expected from the business of CTM, which will offer synergies as well as significant profit contributions to the Group

Q&A