Hutchison Telecoms

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Companies Announcements Office

Australian Securities Exchange

Date 19 February 2010

Subject: Preliminary Final 2009 Annual Results

Please find attached the Company's results for the year to 31 December 2009 in the form of Appendix 4E.

The Annual General Meeting of the Company will be held at 10 am on 4 May 2010.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited ABN 15 003 677 227

ASX Preliminary Final Report – 31 December 2009

Lodged with the ASX under Listing Rule 4.3A.

This information should be read in conjunction with the 2009 Annual Report.

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Hutchison Telecommunications (Australia) Limited
Year ended 31 December 2009
(Previous corresponding year:
Year ended 31 December 2008)

Results for Announcement to the Market

				$'000
Revenue from ordinary activities *(Appendix 4E item 2.1)*	Down	50.8%	to	799,410
Profit from ordinary activities after tax attributable to members *(Appendix 4E item 2.2)*	Up	386.8%	to	467,724
Net profit for the year attributable to members *(Appendix 4E item 2.3)*	Up	386.8%	to	467,724

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

Record date for determining entitlements to the interim dividend | N/A

(Appendix 4E item 2.5) N/A

Hutchison Telecommunications (Australia) Limited
Preliminary Final Report - Year ended 31 December 2009

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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 2009 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
ABN 15 003 677 227

Preliminary Final Report – 31 December 2009

Review of HTAL's operations

On 9 June 2009, the merger of Hutchison Telecommunications (Australia) Limited's ("the Company" or "HTAL") operating subsidiary, Hutchison 3G Australia Pty Ltd ("H3GA") and Vodafone Australia Limited ("VAL") was completed. As a result of the merger H3GA acquired 100% of VAL and issued shares to subsidiaries of Vodafone Group Plc resulting in the Vodafone entities holding 50% of the H3GA shares. H3GA has been renamed Vodafone Hutchison Australia Pty Limited ("VHA").

As a result of the completion of the transaction, HTAL ceased to further consolidate the results of the operating entity and has started to equity account its interest in VHA. The results for the year ended 31 December 2009 represent 5 months of the former H3GA '**3**' business and 7 months of an equity accounted result for VHA. Comparative figures are as previously reported.

As a result of the transaction, the Company reports a $467.7 million profit for the year to 31 December 2009, up 386.8%. HTAL has recognised a profit on the disposal of its 50% interest in H3GA of $587.3 million. The net loss before gain on merger was $119.6 million, a $43.5 million improvement.

As reported at the half-year, during the 5 months prior to the merger, strong growth in customer numbers, revenue and EBITDA continued in the Group (which consists of the Company and the entities it controlled at the end or during the year ended 31 December 2009), with particular growth in non-voice services.

Following the merger, HTAL has accounted for its investment in VHA as an equity investment. Under this method, revenue from VHA's ordinary activities following the merger is not included in HTAL's consolidated revenues from ordinary activities, which is the principal reason HTAL is reporting a decline in revenue from ordinary activities for the year of 50.8% to $799.4 million. All revenue of VHA following the merger is included in calculating the "share of net (losses)/ profits of joint venture partnership accounted for using the equity method" in HTAL's Statement of Comprehensive Income.

No dividend was declared or paid during the year.

HTAL outlook

HTAL is pleased with VHA's progress towards its synergy targets and expects further benefits to be realised during 2010. HTAL believes that sound policy decisions concerning the National Broadband Network ("NBN") will be crucial to support and to promote the digital economy and ensure VHA's rollout of high-value mobile broadband services to more areas of Australia.

Review of VHA's operating performance attributable to HTAL[1]

VHA's financial results reflect 5 months of the former H3GA '**3**' business and 7 months of the 50% share of VHA attributable to HTAL. Comparative figures are as previously reported, being those of HTAL which includes the H3GA '**3**' business. As a result much of the growth compared to the prior year is attributable to the merger.

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[1] **Customers** reflects VHA's active services in operation at the end of the reporting period.
Service revenue excludes revenue from sales of handsets, interest income and other income.
Non-voice services revenue is revenue from SMS and Planet 3 or Vodafone Live content services and internet and data access.
ARPU represents rolling 12 month average service revenue per user per month at the end of the period across pre and post-paid customers.

VHA acquired 3.97 million customers on 9 June 2009 as a result of the merger. VHA's customer base at 31 December 2009 was 6.90 million, an increase of 4.86 million for the year. The underlying net customer growth is 890,000 customers, which is a 432,000 increase or 94.3% increase on the net customers acquired by **'3'** last year.

Total VHA revenue attributable to HTAL increased by 25.7% to $2,040.1 million. Revenue from non-voice services increased 45.9% to $677.3 million. Non-voice services now contribute 36.7% of ARPU up from 31.2% at 31 December 2008.

There was a substantial shift in the composition of the customer base in 2009 as result of the merger. Postpaid customers comprise 56.8% of the customer base at 31 December 2009 compared to 90.6% at the end of 2008.

VHA has maintained industry low postpaid customer churn of 1.3% per month. Customer satisfaction levels, as measured by both internal and external surveys, continue to be strong.

Review of VHA Operating Performance attributable to HTAL[2]	**2009**[3]	**2008**[4]	**Y/Y change**
Total revenue ($m)	2,040.1	1,623.3	25.7%
Service revenue ($m)	1,884.5	1,467.9	28.4%
Operating Margin	1,386.1	996.1	39.2%
EBITDAR ($m)	227.8	190.4	19.6%
EBITDA ($m)	175.2	190.4	-8.0%
Other running operating expenditure as % of Service Revenue	23.6%	19.6%	4.0%
Capital expenditure ($m)	236.2	200.2	18.0%
Capital expenditure as % of Service Revenue	12.5%	13.6%	-1.1%
Customer acquisition cost per unit	$165	$238	-30.7%
Mobile customers ('000)	6,895	2,036	238.7%
- Mobile broadband customers ('000)	673	288	133.7%
- Mobile broadband customers – 3G services ('000)	717	238	201.3%
Customer growth ('000)	4,859	458	n/a
Net customer growth ('000)	890	458	94.3%

[2] **EBITDA** represents service revenue less interconnect cost and running operating expenditure plus capitalised incremental direct acquisition and retention costs in accordance with AIFRS. Interest income has been reclassified to finance cost.
EBITDAR represents EBITDA excluding one off restructuring costs associated with the merger.
Capital expenditure represents cash spend on capital expenditure including the share of cash CAPEX in the period for the 3G network joint venture with Telstra.
Customer acquisition cost per unit represents the average direct costs, including commissions, promotional credits and handset subsidies associated with acquiring each new customer for the period.
Mobile Broadband includes data accessed via a modem, a Netconnect card or a USB Dongle.
Mobile Broadband - 3G services comprises X-Series, a Mobile Web pack or a handset as a modem.
Net customer growth is the underlying customer growth and therefore excludes the customers acquired as part of the H3GA merger.
Operating margin is Service revenue less interconnect and variable content costs.
Other running operating expenditure includes employee benefits expense, advertising and promotion expenses, net of other income and share of profits of jointly controlled entities and partnership accounted for using the equity method (3GIS).
3G Services revenue is revenue from Planet 3 or Vodafone Live content services and internet and data access.
Average monthly margin per customer represents rolling 12-month average margin per mobile customer, across pre and post-paid customers per month at the end of the period.

[3] The results to 31 December 2009 represents 5 months of the former H3GA '3' business and 7 months of the 50% share of VHA attributable to HTAL.

[4] The results to 31 December 2008 represents comparatives as previously reported being those of HTAL which includes the H3GA '3' business

Review of VHA Operating Performance attributable to HTAL[2]	2009[3]	2008[4]	Y/Y change
Post-paid %	56.8%	90.6%	-33.8%
Pre-paid %	43.2%	9.4%	33.8%
ARPU	$55.82	$66.54	-16.1%
ARPU voice	$35.34	$45.78	-22.8%
ARPU non-voice	$20.48	$20.76	-1.3%
– Non-voice, non-SMS	$10.42	$10.30	1.2%
– SMS	$10.06	$10.46	-3.8%

Benefits of scale emerging

Improvements in VHA's key financial results during 2009 were driven by strong growth in customer numbers, revenue and margin and the benefits of scale beginning to emerge.

As noted above, the VHA customer base increased from 2.036 million customers in 2008 to 6.895 million customers at 31 December 2009. Underlying customer growth was 890,000 customers, up 94.3% from 458,000 customers in 2008.

Total revenue increased 25.7% to $2,040.1 million. Service revenue rose by 28.4% to $1,884.5 million. Operating margin increased 39.2% to $1,386.1 million and operating margin as a percentage of service revenue increased from 67.9% to 73.6%. Average monthly operating margin for 2009 was $115.5 million against an average of $83.0 million per month in 2008.

VHA's other running operating expenditure increased by 54.8% to $444.2 million. Running operating expenditure as a percentage of service revenue was 23.6% compared to 19.6% for 2008. This increase was driven partly by one off costs associated with the merger.

VHA's EBITDA, excluding one off costs associated with the merger, increased by 19.6% to $227.8 million. EBITDA margin excluding one-off costs associated with the merger was 12.1% down from 13.0% in 2008 due primarily to increased customer acquisition costs.

In 2009 customer acquisition cost per unit was $165, down from $238 in 2008 due to increases in customer acquisition mix towards prepaid as a result of the merger. Postpaid acquisition costs increased in the second half of 2009 as a result of strong sales of iPhone and other smartphones across both the Vodafone and **'3'** brands on higher value customer plans.

VHA's capital expenditure in the year increased by 18.0% to $236.2 million. Capital expenditure as a percentage of service revenue was 12.5% compared with 13.6% in 2008 reflecting the benefits of scale.

3G services growth continues

VHA continued to experience a strong uptake in 3G services, delivering a 45.9% increase in non-voice revenue to $677.3 million. Non-voice services now contribute 36.7%, or $20.48 of ARPU up from 31.2% in 2008.

The number of customers accessing Planet 3, Vodafone Live! and the internet reflects strong customer usage of Mobile Broadband and an increased appetite for 3G services and open internet access.

Mobile Broadband subscribers increased to 673,000 up 133.7% from 288,000 at 31 December 2008. A further 717,000 customers subscribe to 3G services on their handsets or use their handset as a modem to access the internet.

Strengthening network assets

VHA is currently operating two networks. The 3GIS joint venture network (with its partner, Telstra Corporation Limited) had 2,744 sites at 31 December 2009 with a footprint covering 56% of the population.

During the year to 31 December 2009 customers on the **'3'** network were provided with access to 3G roaming on parts of Telstra's 850MHz network which allows customers to access 3G services in areas covering 96% of the population.

The Vodafone network has a total of 3,942 sites. During 2009 VHA completed the rollout of the Vodafone 3G regional network, delivering coverage to 94% of the population. Vodafone customers in upgraded areas can now access 3G services such as internet and email on their mobile phone, or laptop via Vodafone Mobile Broadband.

VHA's Outlook

The strong focus on business integration will continue at VHA throughout 2010. Key areas of focus for business integration which will deliver benefits in 2010 are:

- Structural and cultural changes to support the creation of one lower cost organisation
- Consolidation of two Sydney headquarters into one premises and move to a single sales office in each state
- Consolidation of contact centre operations into Hobart and Mumbai
- Delivery of procurement savings through vendor selection and contract renegotiation
- Reduction in distribution costs and improvements in retail sales efficiencies
- IT systems integration and transition to target platforms
- Increased utilisation of the Vodafone network assets for **'3'** customers

Operational and IT systems integration projects underway in 2010 will enable VHA to pursue its objective of transitioning to the Vodafone brand.

Continued growth in the customer base and increased 3G services revenues should deliver strong operating performance in 2010. VHA expects to remain free cash flow positive in 2010, excluding one-off integration costs associated with the merger.

Sourcing and marketing the best mobile devices at the best prices remains an important factor and VHA will continue to leverage the international buying power and economies of scale of both Vodafone Group Plc and the Hutchison Whampoa Group. The penetration of smartphones in the VHA customer base is expected to increase through 2010. VHA expects intense competition to continue to drive high handset subsidies.

Continued innovation from VHA, coupled with sustained efforts to build upon its market-leading approach to customer service and customer satisfaction are expected to support growth in 2010.

VHA is seeking greater certainty from the Government and regulators on spectrum renewal and reallocation in 2010. VHA is also anticipating clear, decisive steps to be taken on the NBN in 2010, which will ultimately result in the provision of improved backhaul transmission capabilities at lower prices.

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2009

	2009[5] $'000	2008 $'000
Revenue	**799,410**	1,623,289
Gain on disposal arising from merger	**587,285**	-
Other income	**1,866**	3,786
Cost of interconnection and variable content costs	**(216,863)**	(471,810)
Other direct costs of provision of telecommunication services and goods	**(150,071)**	(326,871)
Cost of handsets sold	**(185,510)**	(387,465)
Employee benefits expense	**(57,252)**	(129,546)
Advertising and promotion expenses	**(22,870)**	(56,834)
Other operating expenses	**(56,261)**	(111,167)
Capitalisation of customer acquisition and retention costs	**20,055**	50,169
Depreciation and amortisation expense	**(110,317)**	(258,571)
Finance costs	**(393)**	(104,582)
Share of net (losses)/ profits of joint venture partnership accounted for using the equity method	**(141,355)**	6,500
Profit/ (loss) before income tax	**467,724**	(163,102)
Income tax expense	**-**	-
Profit/ (loss) for the year	**467,724**	(163,102)
Other comprehensive income		
Changes in the fair value of cash flow hedges, net of tax	**(990)**	-
Other comprehensive income for the year, net of tax	**(990)**	-
Total comprehensive income/ (expense) for the year attributable to members of Hutchison Telecommunications (Australia) Limited	**466,734**	(163,102)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

5 The results to 31 December 2009 represent 5 months consolidated results of HTAL and 7 months equity accounted result for VHA

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Financial Position
As at 31 December 2009

	2009 $'000	2008 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	**2,858**	134,685
Trade and other receivables	**64,233**	351,542
Inventories	**-**	60,244
Derivative financial instruments	**-**	990
Other	**163**	44,146
Total Current Assets	**67,254**	591,607
Non-Current Assets		
Receivables	**50,332**	205,320
Investment accounted for using the equity method	**1,553,651**	8,535
Property, plant and equipment	**-**	1,039,648
Intangible assets	**-**	912,030
Other	**-**	2,828
Total Non-Current Assets	**1,603,983**	2,168,361
Total Assets	**1,671,237**	2,759,968
LIABILITIES		
Current Liabilities		
Payables	**8,805**	839,781
Borrowings	**-**	2,103
Other financial liabilities	**286,954**	1,000,000
Provisions	**-**	3,390
Other	**-**	4,130
Total Current Liabilities	**295,759**	1,849,404
Non-Current Liabilities		
Provisions	**-**	2,091
Total Non-Current Liabilities	**-**	2,091
Total Liabilities	**295,759**	1,851,495
Net Assets	**1,375,478**	908,473
EQUITY		
Contributed equity	**4,204,488**	4,204,488
Reserves	**70,841**	71,560
Accumulated losses	**(2,899,851)**	(3,367,575)
Total Equity	**1,375,478**	908,473

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
As at 31 December 2009

	Attributable to members of Hutchison Telecommunications (Australia) Limited			
	Contributed equity	**Reserves**	**Accumulated profits/ (losses)**	**Total equity**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 January 2008	**4,204,488**	**69,755**	**(3,204,473)**	**1,069,770**
Loss for the year	-	-	(163,102)	(163,102)
Changes in the fair value of cash flow hedges, net of tax		990	-	990
Total comprehensive income for the year	**4,204,488**	**70,745**	**(3,367,575)**	**907,658**
Transactions with members in their capacity as members:				
Employee share options - value of employee services	-	815	-	815
Subtotal	**-**	**815**	**-**	**815**
Balance at 31 December 2008	**4,204,488**	**71,560**	**(3,367,575)**	**908,473**
Balance at 1 January 2009	**4,204,488**	**71,560**	**(3,367,575)**	**908,473**
Profit for the year	-	-	467,724	467,724
Changes in the fair value of cash flow hedges, net of tax	-	(990)	-	(990)
Total comprehensive income for the year	**4,204,488**	**70,570**	**(2,899,851)**	**1,375,207**
Transactions with members in their capacity as members:				
Employee share options - value of employee services	-	271	-	271
Subtotal	**-**	**271**	**-**	**271**
Balance at 31 December 2009	**4,204,488**	**70,841**	**(2,899,851)**	**1,375,478**

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 year ended 31 December 2009

	2009[6] $'000	2008 $'000
Cash Flows from Operating Activities		
Receipts from customers (inclusive of GST)	**894,146**	1,785,441
Payments to suppliers and employees (inclusive of GST)	**(1,383,481)**	(1,221,684)
	(489,335)	563,757
Interest received	**56,031**	9,089
Rental income	**66**	309
Finance costs paid	**(393)**	(128,533)
Net cash (outflows) / inflows from operating activities	**(433,631)**	444,622
Cash Flows from Investing Activities		
Payments for property, plant and equipment	**(74,525)**	(152,785)
Proceeds from sale of other non-current assets	**105**	3,372
Proceeds from sale of intangible assets	**86,000**	-
Loans to jointly controlled entities or partnership	**(69,186)**	(43,433)
Repayment of loans from jointly controlled entities or partnership	**1,113,667**	-
Payments for intangible assets	**(19,666)**	(50,167)
Net cash inflows / (outflows) from investing activities	**1,036,395**	(243,013)
Cash Flows from Financing Activities		
Proceeds from borrowings - subsidiary	**124,513**	-
Proceeds from borrowings - related parties	**55,000**	1,000,000
Repayment of borrowings - bank loans	**-**	(1,100,000)
Repayment of borrowings - related parties	**(768,046)**	-
Repayment of finance lease	**(1,327)**	(1,818)
Net cash outflows from financing activities	**(589,860)**	(101,818)
Net increase in cash and cash equivalents	**12,904**	99,791
Cash and cash equivalents at 1 January	**134,685**	34,894
Cash disposed of with H3GA merger	**(144,731)**	-
Cash and cash equivalents at 31 December	**2,858**	134,685

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

[6] The cash flows to 31 December 2009 represent 5 months consolidated results of HTAL and 7 months HTAL only cash flows.

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Hutchison Telecommunications (Australia) Limited as an individual entity ("Company" or "Parent Entity") and the consolidated entity consisting of Hutchison Telecommunications (Australia) Limited and its subsidiaries ("the Consolidated Entity" or "the Group").

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Segment reporting

AASB 8, Operating Segments, replaces AASB 114, Segment Reporting with effect from 1 January 2009. AASB 8 is a disclosure standard that requires the disclosure of the Consolidated Entity's operating segments. It replaces the requirement under AASB 114 to determine primary (business) and secondary (geographical) reporting segments of the Consolidated Entity's operations. Adoption of this standard did not have any effect on the Consolidated Entity's results of operations or financial position.

Going concern disclosures

As at 31 December 2009, the Consolidated Entity has a deficiency of net current assets of $229 million (2008: $1,258 million). The Consolidated Entity has also experienced operating losses during the financial year ended on 31 December 2008. Included in the Consolidated Entity's current liabilities is an amount of $287 million (2008: $1,000 million) which relates to an interest free financing facility provided from the ultimate parent entity, Hutchison Whampoa Limited ("HWL"), which is repayable on demand. HWL 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. This undertaking is provided for a minimum period of twelve months from 19 February 2010. Consequently, the directors have prepared the financial statements on a going concern basis.

Statement of compliance

Australian Accounting Standards include AIFRS. Compliance with AIFRS ensures that the consolidated financial statements and notes of the Consolidated Entity comply with International Financial Reporting Standards ("IFRS").

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) which are stated at fair value, as explained in the significant accounting policies set out below.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires the Group to exercise its judgement in the process of applying the Consolidated Entity's accounting policies.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company and all subsidiaries made up to 31 December 2009.

Subsidiaries are all those entities (including special purpose entities) over which the Consolidated Entity has the power to govern the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity (refer to note 1(f)).

The effects of all transactions between entities in the Consolidated Entity are eliminated. If a member of the Consolidated Entity uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Investments in joint ventures are accounted for as set out in note 1(g).

(c) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Consolidated Entity's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Hutchison Telecommunications (Australia) Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

(i) Telecommunication services
Revenue from the provision of mobile telecommunication services with respect to voice, video, internet access, messaging and media services, including data services and information provision, is recognised when the service is rendered and, depending on the nature of the services, is recognised either at gross amount billed to the customer or the amount receivable as commission

for facilitating the services. Revenue from the sales of prepaid mobile calling cards is recognised upon customer's usage of the card or upon the expiry of the service period.

(ii) Sale of handsets
Revenue from sale of handsets is recognised at the date of despatch of goods, pursuant to the signing of the customer's contract and when all the associated risks and rewards have passed to the customer.

(iii) Interest income
Interest income is recognised on a time proportion basis using the effective interest method.

(e) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The relevant tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Hutchison Telecommunications (Australia) Limited and its wholly owned Australian subsidiaries have not implemented the tax consolidation legislation.

(f) Business combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If

the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

(g) Joint ventures

A joint venture is a contractual arrangement whereby the venturers undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

(i) Jointly controlled entity
A jointly controlled entity is a joint venture which involves the establishment of a separate entity. The Consolidated Entity's interest in the joint venture entity is accounted for in the consolidated financial statements using the equity method of accounting. Under this method the share of the profits or losses of the entity is recognised in the statement of comprehensive income, and the share of the movements in reserves is recognised in reserves in the statement of financial position.

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture are eliminated to the extent of the Consolidated Entity's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

(ii) Jointly controlled assets
The proportionate interests in the assets, liabilities, income and expenses of a jointly controlled asset have been incorporated in the financial statements under the appropriate headings.

(h) Impairment of assets

Goodwill is not subject to amortisation and is tested for impairment annually or more frequently, if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(i) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within bank borrowings in current liabilities on the statement of financial position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the

original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(k) Inventories

Finished goods include handsets, devices and accessories and are stated at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at the statement of financial position date using the standard cost method. Costs comprise of purchase price and expenditure that is directly attributable to the acquisition of the handsets after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale.

(l) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Consolidated Entity designates certain derivatives as; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Consolidated Entity documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Consolidated Entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within other income or other expense.

Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of

comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income.

(m) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments.

(n) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the depreciable amount of each item of property, plant and equipment over its expected useful life to the Consolidated Entity. The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted if appropriate. Assets are depreciated from the date they are brought into commercial service, or in respect of internally constructed assets from the time the asset is completed and is available for commercial use. The expected useful lives are as follows:

Buildings	40 years
Computer equipment	4 to 10 years
Furniture, fittings and office equipment	4 to 7 years
Network equipment	3 to 40 years

The depreciable amount of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Consolidated Entity, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over 4 - 20 years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

(o) Leases

Leases of property, plant and equipment where the Consolidated Entity has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance lease balance

outstanding. The interest element of the finance lease cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term. Leased assets held at the reporting date are being amortised over four years.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(p) Intangible assets

(i) Spectrum licences and capitalised development costs
Costs associated with acquiring spectrum licences are capitalised. The amortisation of capitalised development costs and the spectrum licences commenced upon the commercial readiness of the network. The spectrum licences and development costs are amortised on a straight-line basis over the periods of their expected benefit. The carrying values of these intangible assets are reviewed on a regular basis and written down to the recoverable amount where this is less than the carrying value (refer note 1(h)).

All costs directly attributable to the construction of the network assets are capitalised as work in progress. All other incremental costs to the creation of an asset within the business are capitalised as development costs.

(ii) Customer acquisition and retention costs
The direct costs of establishing and renewing customer contracts, other than handset subsidies which are expensed when incurred, are recognised as an asset. The direct costs are amortised as other direct costs of provision of telecommunication services and goods over the lesser of the period during which the future economic benefits are expected to be obtained and the period of the contract. The direct costs include commissions paid for obtaining customer contracts and other incremental costs directly attributable to the acquisition and retention of customers.

(iii) Transmission rights
The Consolidated Entity's right to use transmission capacity is measured at cost and amortised on a straight line basis over the term of the transmission lease.

(iv) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Consolidated Entity's share of the net identifiable assets of the acquired subsidiary/associate/jointly controlled entity at the date of acquisition. Goodwill on acquisitions of subsidiaries/jointly controlled entities is included in intangible assets. Goodwill on acquisitions of associates/jointly controlled entities is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The expected useful lives of the intangible assets, other than goodwill are as follows:

Spectrum licences and capitalised development costs	12 to 15 years
Customer acquisition and retention costs	2 to 3 years
Transmission rights	13 years

(q) Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid or payable within 30 days of recognition.

(r) Interest bearing liabilities

Fixed rate loans are initially recognised at fair value, net of transaction costs incurred. Floating rate loans are initially recognised at cost, net of transaction costs incurred. Fixed and floating rate loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the liability using the effective interest method.

(s) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed. Borrowing costs include:
- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- finance lease charges; and
- certain exchange differences arising from foreign currency borrowings.

(t) Provision for decommissioning costs

A provision has been recognised for costs expected to be incurred on the expiration of the site leases and resulting decommissioning costs under the terms of lease obligations. The amount of the provision is the estimated cash flow expected to be required to fulfil the lease obligations discounted back to net present value.

(u) Employee benefits

(i) Wages and salaries, and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave
The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Bonus plan
A liability for employee benefits in the form of a bonus plan is recognised in other creditors when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:
- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Share-based payments
Share-based compensation benefits are provided to employees via the Hutchison Telecommunications (Australia) Limited Employee Option Plan.

Share options granted after 7 November 2002 and vested after 1 January 2005
The fair value of options granted under the Hutchison Telecommunications (Australia) Limited Executive Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(v) Retirement benefits

Retirement benefits are delivered under the Retail Employees Superannuation Trust, although employees have an option to choose other funds. This fund is a defined contribution fund and is based on employer and employee contributions made to the fund.

Contributions are recognised as an expense as they become payable.

(v) Contributed equity

Ordinary shares and convertible preference shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Earnings per share

(i) *Basic earnings per share*
Basic earnings per share is calculated by dividing:
- the profit attributable to ordinary equity holders of the Company
- by the weighted average number of ordinary shares outstanding during the financial year

(ii) *Diluted earnings per share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(y) Rounding of amounts to nearest thousand dollars

The Company 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 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.

(z) New accounting standards and UIG 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 2009. The adoption of these new and revised standards, amendments and interpretations has resulted in changes to the format of the Consolidated Entity's financial statements in 2009 (including revised titles for these financial statements).

Australian Accounting Standards and Interpretations thereof that have recently been amended but are not yet effective have not been adopted for the reporting period ended 31 December 2009.

Australian Accounting Standards that have recently been amended but are not yet effective and have not been early adopted by the Consolidated Entity are outlined in the table below:

Reference	**Affected Standard(s)**	**Application date of standard***	**Application date for Consolidated Entity**
AASB 3 (revised)	AASB 3: *Business Combinations*	1 July 2009	1 January 2010
AASB 107	AASB 107: *Cash flow statements*	1 January 2010	1 January 2010
AASB 117	AASB 117: *Leases*	1 January 2010	1 January 2010
AASB 127 (revised)	AASB 127: *Consolidated and Separate Financial Statements*	1 July 2009	1 January 2010
AASB 136	AASB 136: *Impairment of assets*	1 January 2010	1 January 2010
AASB 139	AASB 139: *Financial instruments recognition and measurement*	1 January 2010	1 January 2010
AASB 2008-3	*Amendments to Australian Accounting Standards arising from AASB 3: Business Combinations and AASB 127: Consolidated and Separate Financial Statements*	1 July 2009	1 January 2010
AASB 2008-6	*Further amendments to Australian Accounting Standards arising from the annual improvements process*	1 July 2009	1 January 2010

Reference	Affected Standard(s)	Application date of standard*	Application date for Consolidated Entity
AASB 2008-8	*Amendments to accounting for eligible hedged items*	1 July 2009	1 January 2010
AASB 2009-4	*Amendments to Australian Accounting Standards arising from the Annual Improvements Process*	1 July 2009	1 January 2010
AASB 2009-5	*Further amendments to Australian Accounting Standards arising from the Annual Improvements Process*	1 January 2010	1 January 2010
AASB 2009-7	*Editorial amendments to various accounting standards*	1 July 2009	1 January 2010
AASB 2009-8	*Amendments to group cash-settled share-based payments (AASB 2)*	1 January 2010	1 January 2010
IFRIC 9	IFRIC 9: *Reassessment of embedded derivatives*	1 July 2009	1 January 2010
IFRIC 17	IFRIC 17: *Distributions of non-cash assets to owners*	1 July 2009	1 January 2010
IFRIC 18	IFRIC 18: *Transfers of assets from customers*	1 July 2009	1 January 2010
IFRIC 19	IFRIC 19: *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2010	1 January 2011
IFRS 5	IFRS 5: *Non-current assets held for sale and discontinued operations (and consequential amendment to IFRS 1 First time adoption)*	1 July 2009	1 January 2010

* Application date of the standard is for the reporting periods beginning on or after the date shown in the above table.

The effect that the adoption of AASB3 (revised), AASB 127 (revised) and IFRIC 17 will have on the results and financial position of the Group will depend on the incidence and timing of business combinations occurring on or after 1 January 2010.

The adoption of other standards and amendments listed above in future periods is not expected to result in substantial changes to the Group's accounting policies.

Note 2 Earnings per share

	2009 Cents	2008 Cents
(a) Basic earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the Consolidated Entity	**6.27**	(21.63)
(b) Diluted earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the Consolidated Entity	**5.85**	(21.63)

(c) Earnings used in calculating earnings per share

	2009 $'000	2008 $'000
Basic earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the Consolidated Entity used in calculating basic earnings per share	**467,724**	(163,102)
Diluted earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the Consolidated Entity used in calculating diluted earnings per share	**467,724**	(163,102)

(d) Weighted average number of shares used as the denominator

	2009 Number	2008 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**7,461,780,971**	**754,028,255**
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**7,988,567,834**	**754,028,255**

On 24 June 2009, the Convertible Preference Shares were converted into Ordinary shares.

Note 3 Segment information

The Consolidated Entity operated within the telecommunications industry until 9 June 2009. On 10 June 2009, the Company announced that the merger of its subsidiary H3GA with VAL has been completed. H3GA has been renamed VHA. As a result, the Consolidated Entity now invests 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, that of operator of telecommunication services prior to 10 June 2009, and investor in an operator of telecommunication services post 10 June 2009. As such, the Consolidated Entity believes it is appropriate that there is one business segment, telecommunication services and one geographical segment, that being Australia as the Consolidated Entity operates wholly in Australia.

Segment results are therefore disclosed with reference to the entire statement of comprehensive income and year end balances as disclosed in the statement of financial position.

Hutchison Telecommunications (Australia) Limited

Supplementary Appendix 4E information

Additional dividend/distribution information *(Appendix 4E item 6)*

Details of dividends/distributions declared or paid during or subsequent to the year ended 31 December 2009 are as follows:

Dividends/distributions declared or paid N/A

Dividend/distribution reinvestment plans *(Appendix 4E item 7)*
N/A

Retained Earnings *(Appendix 4E item 8)*

	2009 $'000	2008 $'000
Accumulated losses at 1 January	**(3,367,575)**	(3,204,473)
Net profit / (loss) attributable to the members of Hutchison Telecommunications (Australia) Limited	**467,724**	(163,102)
Accumulated losses at 31 December	**(2,899,851)**	(3,367,575)

NTA Backing *(Appendix 4E item 9)*

	2009	2008
Net tangible asset backing per ordinary share	$0.10	($0.01)

Controlled entities acquired or disposed of *(Appendix 4E item 10)*

On 10 June 2009, the Company announced that the merger of its subsidiary, Hutchison 3G Australia Pty Limited ("H3GA"), with Vodafone Australia Limited has been completed. H3GA has been renamed Vodafone Hutchison Australia Pty Limited ("VHA").

Under that arrangement, H3GA acquired the issued capital of Vodafone Australia Limited and issued shares to subsidiaries of Vodafone Group Plc resulting in Hutchison 3G Australia Holdings Pty Limited (H3GAH) holding 50% of the issued shares of H3GA and the Vodafone Group Plc subsidiaries together holding 50% of the issued shares of H3GA. Vodafone Australia Limited is a wholly-owned subsidiary of H3GA.

Associates and Joint Venture entities *(Appendix 4E item 11)*

Jointly controlled entity

On 9 June 2009 a controlled entity, HTAL entered into a 50% interest in a joint venture with Vodafone Group Plc named VHA. The interest in VHA held by a controlled entity H3GAH is accounted for in the consolidated financial statements using the equity method.

The aggregate share of losses from VHA for the year ended 31 December 2009 is $144,180,000 (2008:$nil). The aggregate share of profits from 3GIS for the year ended 31 December 2009 is $2,825,000 (2008: $6,500,000).

Information relating to the jointly controlled entity is set-out below:

	2009 $'000
Interest in a jointly controlled entity	1,553,651
Share of the jointly controlled entity's assets and liabilities	
Current assets	554,437
Non-current assets	3,180,941
Total assets	3,735,378
Current liabilities	(1,557,664)
Non-current liabilities	(765,013)
Total liabilities	(2,322,677)
Net assets	1,412,701
Share of the jointly controlled entity's revenue, expenses and results	
Revenues	1,302,373
Expenses	(1,446,553)
Loss for the period	(144,180)
Share of the jointly controlled entity's commitments	
Lease commitments	478,327
Capital commitments	123,770
	602,097
Contingent liabilities relating to the jointly controlled entity	-
Reconciliation of interest in a jointly controlled entity	
Initial investment at 9 June 2009	1,556,881
Loss for the period	(144,180)
Net assets	1,412,701
Goodwill	165,321
Gain on disposal of spectrum licence from HTAL to VHA, net of amortisation	(24,371)
Interest in jointly controlled entity at 31 December 2009	1,553,651

Foreign Accounting standards *(Appendix 4E item 13)*

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

N/A

Audit *(Appendix 4E items 15 - 17)*

This report is based on accounts which have been audited. The audit report, which is unqualified, will be made available with the Company's financial report.