Hutchison Telecoms

Hutchison Telecommunications
(Australia) Limited
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A member of the
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Companies Announcements Office

Australian Stock Exchange

Date 5 August 2003

Subject: Half Year Results

Please find attached the Company's results for the half year to 30 June 2003 in the form of Appendix 4D. The Audit Review is also attached.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited [ABN 15 003 677 227] ASX Half-year information – 30 June 2003

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction with the 31 December 2002 Annual Report.

Contents

Hutchison Telecommunications (Australia) Limited
Half-year ended 30 June 2003
(Previous corresponding period:
Half-year ended 30 June 2002)

Results for Announcement to the Market

				$'000
Revenue from ordinary activities *(Appendix 4D item 2.1)*	up	18.0%	to	134,802
Profit/(loss) from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)*	down	78.0%	to	(129,362)
Net profit/(loss) for the period attributable to members *(Appendix 4D item 2.3)*	down	78.0%	to	(129,362)

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

Record date for determining entitlements to the interim dividend	Day/Month/Year
(Appendix 4D item 2.5)	N/A

Hutchison Telecommunications (Australia) Limited
Half-year report – 30 June 2003

Contents

This interim 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 2002 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
Directors' report

Your directors present their report on the consolidated entity consisting of Hutchison Telecommunications (Australia) Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2003.

Review of Operations

During the first half of 2003 the mobile market witnessed the launch of the first W-CDMA network in Australia with the launch in Sydney and Melbourne of the Company's Third Generation (3G) network, branded 3, on 15 April. The launch is part of the Hutchison Whampoa global 2003 rollout of 3G networks and services which also includes the UK, Italy, Sweden, Austria, Hong Kong and Denmark.

Following the successful launch in Sydney and Melbourne, the Company extended its **3** network to cover Adelaide, Perth, Brisbane and the Gold Coast on 1 July.

As expected, start-up losses were incurred in the Company's 3G operation as it begins to build up a customer base and revenue stream.

In line with expectations, the mobile market for basic voice services remained subdued as the overall growth in penetration continued to slow. Market activities centred around aggressive handset subsidies and other acquisition incentives, even on low-end plans. Other activities included the introduction of a range of mobile data services in both the consumer and business segments.

Against the backdrop of tightening market conditions and ongoing rationalisation of cost structure, the Company's Second Generation (2G) Orange branded business continued to deliver solid revenue growth, resulting in an EBITDA positive position for the second consecutive half-year.

Key Financial Data

$ million	Half year 30 June 2002	Half year 31 Dec 2002	**Half Year 30 June 2003**
Revenue			
3	-	-	**13.6**
Orange Mobile	93.9	98.8	**101.7**
Other Orange services	18.9	15.7	**15.2**
Total revenue (1)	112.8	114.5	**130.5**
Operating expenses			
3	-4.0	-80.7	-85.2
Orange	-131.0	-116.3	-104.7
EBITDA (2)			
3	-4.9	-79.8	-76.4
Orange	-16.2	2.1	12.2
EBIT	**-55.2**	**-120.6**	**-119.9**
NPAT	**-72.7**	**-124.6**	**-129.4**

(1) Total revenue from operating activities and excludes interest income and other non-operating revenue.

(2) EBITDA includes all subscriber acquisition costs (including those subscriber acquisition costs capitalised in accordance with UIG 42).

Subscribers	As at 30 June 2002	As at 31 Dec 2002	**As at 30 June 2003**	Change over past six months
3	-	-	**18,435**	n/a
Orange Mobile	240,110	263,501	**278,861**	5.8%
Orange Paging and Messaging	61,599	56,839	**49,169**	-13.5%
Orange Mobile Resale	4,806	3,420	**2,505**	-26.8%

Orange Mobile Key Business Indicators	Half year 30 Jun 2002	Half year 31 Dec 2002	**Half year 30 June 2003**	Change over past six months
ARPU (i)	$62	$60	**$56**	-6.7%
SAC (ii)	$195	$183	**$214**	16.9%
Churn (iii)	2.3%	2.0%	**2.0%**	-
Minutes usage per customer (iv)				
Local Zone	99	68	**44**	-35.3%
Mobile Zone	67	75	**83**	10.7%
Weighted average tariff (v)	$0.24	$0.28	**$0.29**	3.6%

(i) ARPU represents the monthly average revenue per Orange Mobile post paid subscriber for the period.
(ii) SAC represents the average direct costs, including commissions and handset subsidies, if any, (before capitalisation) associated with acquiring each new subscriber for the period.
(iii) Churn represents the average monthly churn of the Orange Mobile subscriber base for the period (excluding churn to **3**).
(iv) Minutes usage per customer represents the average monthly number of outbound minutes of usage per Orange Mobile post paid subscriber for the period.
(v) Weighted average tariff represents the average tariff per minute billed on outbound calls for each Orange Mobile post paid subscriber for the period.

Operating Results

The Company's recently launched **3** network had 18,435 services in use on the network as at 30 June, growing to 43,650 services as at 4 August 2003.

As at 30 June, the Company's subscriber base for Orange Mobile was 278,861 with 15,418 customer net post-paid additions and a net reduction in the pre-paid customer base of 58 in the reported half. This represents a 6.2% growth in the post-paid customer base since 31 December 2002.

Also at 30 June, the Company had 49,169 Orange Paging and Messaging customers and 2,505 customers to its Mobile Resale operation.

Total operating revenue for the reporting period was $130.5 million, an increase of 14.0% compared to the six months ended 31 December 2002, due mainly to the new revenue streams from **3** and the expanded customer base in the Orange Mobile business.

In the 3G operations, a negative EBITDA of $76.4 million was recorded reflecting start-up losses consistent with the business' early stage of development.

For the second consecutive half, the Company's Orange branded business reported a positive EBITDA result. EBITDA for the current period was $12.2 million, compared to a positive EBITDA of $2.1 million in the six months ended 31 December 2002 and an EBITDA loss of $16.2 million in the six months to 30 June 2002.

The Company's net loss after tax for the period was $129.4 million compared to a loss of $124.6 million in the six months ended 31 December 2002 and a loss of $72.7 million for the six months to 30 June 2002.

Product review

3

The Company launched its **3** branded services on 15 April in Sydney and Melbourne, followed by Adelaide, Perth, Brisbane and the Gold Coast on 1 July.

The launch of services was supported by the simultaneous opening of 19 Company-operated **3** shops across Sydney and Melbourne. The Company's distribution reach was further strengthened through May and June with additional dealer arrangements including existing Orange Mobile dealerships, Strathfield Car Radio, Brisbane Car Sound and Allphones.

In July, 14 additional Company-operated **3** shops were opened to support the launch of **3** in Adelaide, Perth, Brisbane and the Gold Coast. To date, **3** services are being sold through over 200 points of presence in key locations in all mainland state capital cities.

The "First on **3**" launch offer provided affordable pricing for the service's distinctive core products - video calling, messaging, video based content services, as well as attractive pricing for its basic voice service. The pricing plan is designed to encourage usage of new services and includes usage caps and price incentives with no requirement for a minimum monthly usage commitment.

Initial customer feedback, both from consumer and business markets, on the service has been encouraging. In each of the service areas, **3** is driving differentiation, either in terms of functionality or in terms of its value offering. Due to the early stages of the service, meaningful usage patterns and performance indicators are premature to provide.

The launch offer is supported by three handsets from leading manufacturers Motorola and NEC. The existing range will be enhanced with new and upgraded models in the second half of the year.

The **3** Video Zone is currently available in most areas of Sydney, Melbourne, Adelaide, Perth, Brisbane and the Gold Coast. Voice and SMS services are available in areas covering 92% of the Australian population, and are provided as part of a roaming agreement. International voice roaming on a **3** handset is also available through roaming agreements with a significant number of overseas GSM operators, with the range of countries being increased rapidly.

The launch in Australia followed extensive global cooperation by Hutchison Whampoa's global 3G operations in areas of technology, branding, product development and handset delivery. The Group currently has 3G licences in nine markets across Europe, Asia and the Middle East with 3G networks already launched in the UK, Italy, Austria and Sweden.

Orange Mobile

During the period, growing signs of market saturation in the basic voice market were demonstrated by a slowdown in high value customer acquisition and intensified competition.

In these tightening market conditions, Orange Mobile continued to demonstrate strong customer appeal with its leading value voice proposition. Underlying revenue grew by 2.9% compared to the half year ended 31 December 2002. Market promotions introduced in February included new rate plans designed to encourage increased usage, including migration of fixed-line usage, through a combination of on-net (Orange to Orange) and fixed line (Orange to land-line) price incentives.

As a result of these and other initiatives to promote mobile rather than location-based usage of the Orange Mobile service, Local Zone average monthly minutes of use per post paid subscriber declined from 68 minutes in the second half of 2002 to 44 minutes in the reported period. However, average monthly minutes of mobile calls per post paid subscriber rose by 11% from 75 minutes to 83 minutes over the same period.

The decline in lower margin Local Zone minutes as well as the introduction of call credit and call rate incentives contributed to a 6.7% decline in Orange Mobile post-paid ARPU to $56 per month for the period compared to the six months to 31 December 2002. However, the continuing re-weighting of the Orange Mobile customer base towards higher value mobility services delivered improved average tariffs and network margins. The weighted average tariff per subscriber increased to $0.29 per minute for the first half of 2003, compared to $0.28 per minute for the six months to 31 December 2002.

Average subscriber acquisition costs, although higher than the prior period due to a re-weighting of dealer commission payments, are considered to be at an acceptable level in the current market conditions where large handset subsidies, Mobile Number Portability credits and other accessory ‘giveaways’ are common promotional activities.

Average monthly churn levels continued to be in line with the previous half year at 2.0%.

Orange Paging and Messaging

The Company continues to be one of the leading paging operators in Australia, with 46,432 subscribers using the network as at 30 June. The business remains under pressure from competing products and delivered $10.4 million of revenues in the reporting period, compared to $10.8 million in the second half of 2002 and $11.6 million for the six months to 30 June 2002. This is in line with the decline in overall market demand for this mature product.

The Company continued to maintain a strong market share with the Pocketwatch product, a portable financial information service, generating $2.2 million of revenue compared to $2.6 million in the second half of 2002 and $2.6 million for the six months to 30 June 2002. The Pocketwatch product had a closing customer base of 2,737 at 30 June.

Operating Expenditure

Total operating expenditure for the 6 months to 30 June was $189.9 million compared with $135.0 million in the first half of 2002.

Total 2G operating expenditure for the reporting period was $104.7 million compared with $131.0 million in the first half of last year. Total operating expenditure in the 3G business was $85.2 million compared with $4.0 million in the first half of 2002.

Consolidated cost of sales increased to $108.6 million from $73.9 million in the first half of 2002 mainly reflecting the launch of the **3** business in Sydney and Melbourne and the associated network operating expenditure, customer acquisition and customer care costs.

Employment costs expensed in the reporting period of $33.3 million were at a similar level to those in the first half of 2002. As part of ongoing refining of the operating cost structure and following the successful implementation of a managed services agreement with Ericsson announced in November 2002, during the reported period the Company also outsourced its Orange Mobile, Paging and Messaging call centre activities. As a result, the headcount in the Orange business was reduced to 207 by 30 June compared to 789 at 30 June 2002. Headcount supporting the **3** business as at 30 June was 826.

Expenditure on advertising and promotions increased from $9.0 million in the six months ended 30 June 2002 to $21.9 million in the current reporting period. This reflects the high profile post-launch **3** branding and service campaign which has driven store traffic and customer growth in that business.

Repairs and maintenance, rent and rates and consulting and professional fees have all increased as a result of the activity in the **3** business.

The improvement in bad debt expense from $5.6 million in the first half of 2002 to $2.8 million in the current reporting period reflects more stringent credit policies and improved service levels in the Orange business.

Other operating expenditure is at a similar level to that reported in the six months ended 30 June 2002.

Capital Expenditure and Funding

Total payments on capital expenditure for the Company's Orange and **3** businesses in the six months to 30 June was $298.9 million compared with $243.2 million in the second half of 2002.

Capital expenditure on the development of the **3** operations totalled $296.6 million for site deployment, network, IT systems and product development.

Depreciation and amortisation for the **3** business was $25.5 million for the reporting period reflecting the post launch commencement of depreciation and amortisation of licence and network costs.

Total capital expenditure for the Orange business for the reporting period was $2.3 million, reflecting the minimal upgrade and expansion requirements for the network in 2003.

Depreciation and amortisation for the Orange business of $34.9 million in the first half of 2003 compares to $27.1 million for the 30 June 2002 reporting period.

Borrowing costs of $33.2 million have increased from $19.7 million in the first half of 2002. During the reporting period, a short term loan of $200.0 million has been drawn down to fund capex and working capital requirements in the **3** business. In addition, $600.2 million of convertible notes were issued in the second half of 2002 which has resulted in an increase in borrowing costs compared to the first half of last year.

As at 30 June the Company had $118.9 million of cash on deposit. Borrowings consisted of a $425.0 million medium term note issue, an inter-company loan from the immediate parent company of $196.0 million, $600.2 million of convertible notes and a $200.0 million short term facility. Further funding requirements for the remainder of the year are expected to be in the region of $600.0 million and will be raised with the continued support of Hutchison Whampoa Limited.

Outlook

The first half of 2003 continued to show a slowdown in growth in the basic mobile voice market, marked by heightened competition and increasingly aggressive acquisition offers. Through the remainder of 2003, the Orange Mobile value proposition will continue to accommodate an existing need in the market for simple, low cost voice and basic data services.

Through the delivery of a clearly differentiated and superior range of services, **3** will continue to build momentum through customer acquisition both in the consumer and business segments. Video calling and enhanced video based content services, supported by a broader choice of handsets, are likely to increasingly appeal to a wider range of potential customers.

Directors

The following persons were directors of Hutchison Telecommunications (Australia) Limited during the whole of the half-year and up to the date of this report:

Canning F N Fok	
Dennis P M Lui	Ting Y Chan
Barry Roberts-Thomson	Justin H Gardener
Frank J Sixt	Holger Kluge

Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Where noted, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

Director 5 August 2003
Canning Fok

Hutchison Telecommunications (Australia) Limited
Consolidated statement of financial performance
For the half-year ended 30 June 2003

	Half-year	
	2003	2002
	($A'000)	($A'000)
Revenues from operating activities	**130,498**	112,801
Other revenue	**4,304**	1,447
Revenues from ordinary activities	**134,802**	114,248
Cost of sales	**(108,623)**	(73,906)
Depreciation and amortisation	**(60,348)**	(27,108)
Employment cost	**(33,281)**	(33,761)
Borrowing costs	**(33,241)**	(19,656)
Advertising and promotions	**(21,869)**	(9,039)
Repairs and maintenance	**(5,433)**	(2,559)
Bad debts	**(2,770)**	(5,578)
Rents and rates	**(2,747)**	(1,833)
Consulting and professional fees	**(2,670)**	(1,205)
Other	**(12,698)**	(13,263)
Loss from ordinary activities before income tax	**(148,878)**	(73,660)
Income tax	**-**	-
Loss from ordinary activities after income tax	**(148,878)**	(73,660)
Profit (loss) from extraordinary items after income tax	**-**	-
Net loss	**(148,878)**	(73,660)
Net loss attributable to outside equity interest	**19,516**	988
Net loss for the period attributable to members of Hutchison Telecommunications (Australia) Limited	**(129,362)**	(72,672)
Total revenue, expenses and valuation adjustments, attributable to members of Hutchison Telecommunications (Australia) Limited recognised directly in equity	**(129,362)**	(72,672)
Total changes in equity other than those resulting from transactions with owners as owners	**(129,362)**	(72,672)
	(Cents)	(Cents)
Basic earnings per share	**(19.1)**	(10.7)
Diluted earnings per share	**(19.1)**	(10.7)

The above consolidated statement of financial performance should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated statement of financial position
As at 30 June 2003

	30 June 2003 ($A'000)	31 December 2002 ($A'000)
Current assets		
Cash	**118,863**	296,156
Receivables	**67,566**	50,347
Inventories	**15,866**	3,842
Other	**50,014**	11,680
Total current assets	**252,309**	362,025
Non-current assets		
Receivables	**6,961**	5,818
Property, plant and equipment	**1,092,834**	885,146
Intangibles	**1,018,758**	1,015,160
Other	**52,896**	46,876
Total non-current assets	**2,171,449**	1,953,000
Total assets	**2,423,758**	2,315,025
Current liabilities		
Payables	**185,106**	130,572
Borrowings	**200,000**	-
Provisions	**8,705**	4,187
Other	**805**	1,121
Total current liabilities	**394,616**	135,880
Non-current liabilities		
Borrowings	**1,221,176**	1,222,079
Provisions	**1,114**	1,336
Total non-current liabilities	**1,222,290**	1,223,415
Total liabilities	**1,616,906**	1,359,295
Net assets	**806,852**	955,730
Equity		
Capital/contributed equity	**1,031,244**	1,031,244
Reserves	**54,887**	54,887
Retained profits (accumulated losses)	**(585,448)**	(456,086)
Equity attributable to members of the parent entity	**500,683**	630,045
Outside equity interests in controlled entities	**306,169**	325,685
Total equity	**806,852**	955,730

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2003

	Half – year	
	2003	2002
	($A'000)	(A$'000)
Cash Flows from Operating Activities		
Receipts from customers (inclusive of GST)	**122,063**	164,102
Payments to suppliers and employees (inclusive of GST)	**(195,106)**	(187,691)
	(73,043)	(23,589)
Dividends received	**13**	-
Interest received	**4,361**	990
Borrowing costs	**(24,630)**	(14,110)
Net cash outflow from operating activities	**(93,299)**	(36,709)
Cash Flows from Investing Activities		
Payment for purchases of property, plant and equipment	**(255,215)**	(99,327)
Proceeds from sale of property, plant and equipment	**66**	-
Payments for intangibles	**(28,845)**	(51,673)
Net cash outflow from investing activities	**(283,994)**	(151,000)
Cash Flows from Financing Activities		
Proceeds from borrowings	**200,000**	99,707
Repayment of borrowings	**-**	(116)
Net cash inflow from financing activities	**200,000**	99,591
Net increase (decrease) in cash held	**(177,293)**	(88,118)
Cash at 1 January	**296,156**	103,690
Cash at 30 June	**118,863**	15,572

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

Hutchison Telecommunications (Australia) Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2003

Note 1 Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 30 June 2003 has been prepared in accordance with Accounting Standard AASB 1029 *Interim Financial Reporting*, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The interim 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 accordance with the annual report for the year ended 31 December 2002 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*.

Note 2 Segment information

Primary reporting – business segments

	Orange (A$'000)	3 (A$'000)	**Consolidated (A$'000)**
Half year 2003			
Total segment revenue	119,663	15,139	**134,802**
Segment result	(50,809)	(98,069)	**(148,878)**
Half year 2002			
Total segment revenue	114,248	-	**114,248**
Segment result	(68,717)	(4,943)	**(73,660)**

Hutchison Telecommunications (Australia) Limited
Supplementary Appendix 4D information

NTA Backing *(Appendix 4D item 3)*

	2003	2002
Net tangible asset backing per ordinary share	($0.31)	($0.39)

Controlled entities acquired or disposed of *(Appendix 4D item 4)*
N/A

Additional dividend/distributions information *(Appendix 4D item 5)*
Details of dividends/distributions declared or paid during or subsequent to the half-year ended 30 June 2003 – N/A

Dividend/distribution reinvestment plans *(Appendix 4D item 6)*
N/A

Associates and Joint Venture entities *(Appendix 4D item 7)*
N/A

Hutchison Telecommunications (Australia) Limited
Directors' declaration

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 There are reasonable grounds to believe that Hutchison Telecommunications (Australia) Limited will be able to pay its debts as and when they become due and payable

5 This report is based on +accounts to which one of the following applies.
(Tick one)

☐	The +accounts have been audited.	✓	The +accounts have been subject to review.
☐	The +accounts are in the process of being audited or subject to review.	☐	The +accounts have *not* yet been audited or reviewed.

6 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* *(delete one)*. *(Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.)*

7 The entity has a formally constituted audit committee.

Sign here: .... (Director) Date: 5 August 2003

Print name: Canning Fok

PRICEWATERHOUSECOOPERS

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Independent review report to the members of Hutchison Telecommunications (Australia) Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report, comprising pages 2 to 15 of the half yearly report included in the attached Appendix 4D of the Australian Stock Exchange (ASX) Listing Rules and the directors' declaration attached thereto, is not presented in accordance with:

- the Corporations Act 2001 in Australia, including giving a true and fair view of the financial position of the Hutchison Telecommunications (Australia) Limited Group (defined below) as at 30 June 2003 and of its performance for the half-year ended on that date
- Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, the Corporations Regulations 2001 and ASX Listing Rules relating to half yearly financial reports.

This statement must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the half-year ended 30 June 2003 is the responsibility of the directors of Hutchison Telecommunications (Australia) Limited. It includes the financial statements for the Hutchison Telecommunications (Australia) Group (the Group), which incorporates Hutchison Telecommunications (Australia) Limited (the Company) and the entities it controlled during the half-year ended 30 June 2003.

The auditor's role and work

We conducted an independent review of the financial report in order for the Company to lodge the financial report with the Australian Securities & Investments Commission and the ASX. Our role was to conduct the review in accordance with Australian Auditing Standards applicable to review engagements. Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly a view in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, the Corporations Regulations 2001 and ASX Listing Rules relating to half yearly financial reports, which is consistent with our understanding of the Group's financial position, and its performance as represented by the results of its operations and cash flows.

PRICEWATERHOUSECOOPERS

The review procedures performed were limited primarily to:

- inquiries of company personnel of certain internal controls, transactions and individual items
- analytical procedures applied to financial data.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Independence

As auditor, we are required to be independent of the Group and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit and review work, we were engaged to undertake other services for the Group. In our opinion the provision of these services has not impaired our independence.

PricewaterhouseCoopers

PricewaterhouseCoopers

David Whale
Partner

Sydney
5 August 2003