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Companies Announcements Office

Australian Stock Exchange

Date 5 August 2003

Subject: Half Year Results Presentation

Please find attached the Company's press release regarding its half year results together with a copy of the presentation and speech to be made by the CEO, Mr Kevin Russell, to media and analysts this afternoon.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecoms

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Media Release

5 August 2003

Hutchison attracts 43,650 subscribers to 3 and delivers second consecutive half of positive EBITDA for Orange

Hutchison Telecommunications (Australia) Limited (ASX:HTA) (Hutchison) today announced its half-year results, for the period ended 30 June 2003.

Hutchison Chief Executive Kevin Russell said he was pleased to report ongoing growth in Orange and a strong take-up of recently launched **3** services for video calling, information and entertainment services.

"The last six months have been tremendously exciting for Hutchison. The launch of **3** has clearly been a great success in terms of service delivery and customer acquisition. And Orange mobile continues to deliver steady post-paid customer growth in a tight 2G market," Mr Russell said.

"As at close of business last night, we have more than 43,000 subscribers enjoying the service on **3**," Mr Russell said.

"This is a particularly pleasing result as we launched in Sydney and Melbourne in mid April with an entirely new product and without any public visibility of our brand," he said.

"We did not launch in our other markets, Brisbane, Adelaide and Perth until 1 July, so the month of July has really been our first month of sales across the breadth of our addressable market.

"We are on track to pass 50,000 customers within the next two weeks, and are focussing on strengthening our service and product offering and expanding our distribution reach in the run-up to Christmas."

Mr Russell said he was also pleased to report steady growth in revenues for Hutchison and Orange, which added more than 15,000 customers in the six months to 30 June.

-more-

"Total operating revenue is up 16% compared to the corresponding period last year, due to the launch of 3 and an 8% growth in Orange Mobile revenue. Ongoing costs discipline has meant we have been able to deliver our target of a second consecutive half of positive EBITDA, coming in at $12.2 million for the half to 30 June.

"We have also maintained tight control on Orange capital expenditure, reducing spending from $31.1 million in the full year 2002 to $2.3 million in the first half of this year."

Key financial results for the half-year included:

- Total operating revenue of $130.5 million, an increase of 16% on the previous corresponding half-year
- Net loss for the half-year of $129.4 million

Orange

- Orange Mobile business contributed $101.7 million to total revenue
- For the second consecutive half, Orange reported a positive EBITDA result. EBITDA for the current half-year was $12.2 million, compared with $2.1 million in the previous half.
- 5.8% growth in Orange Mobile subscriber base, to a total of 278,861 Orange customers

3

- 3 reported its first revenue results of $13.6 million since launch on 15 April
- EBITDA loss of $76.4 million, reflecting start-up losses consistent with the business' early stage of development
- Subscribers to 3 were 43,650 as at 4 August 2003

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Hutchison Telecommunications (Australia) Limited
Half Year Results to 30 June 2003

Presentation by Kevin Russell
Chief Executive Officer
5 August 2003

Good afternoon ladies and gentlemen.

Welcome to Hutchison Telecoms' 2003 half year results update. The last six months have been tremendously exciting for our company. Front and centre clearly has been the successful launch of **3** and the pleasing customer take up. In addition, we've also achieved significant ongoing improvements in the operation and profitability of Orange.

Compared to the corresponding half last year, total operating revenue at Hutchison Telecoms has grown 16%, primarily due to revenue contribution from the initial weeks of **3**'s launch. Orange mobile revenue growth was 8%. Ongoing cost discipline and improvements to operating cost structure have ensured Orange delivered a healthy EBITDA positive result of $12.2 million for the most recent half.

The $76.4 million EBITDA loss in the **3** business is consistent with the result in the second half of 2002. EBITDA losses are expected to widen in the second half of the year as the business actively invests in growing its customer base.

Overall, EBIT and NPAT losses increased on the back of the start up losses on **3**.

To recap on our direction in Orange Mobile.

In a slowing 2G market, Orange must focus on profitable growth, tight internal cost discipline and minimising CAPEX.

Key performance indicators for the last six months continue to reflect that direction.

The Orange subscriber base closed at approximately 279,000 at the end of June. Growth for the last six months totalled 15,360. We believe that customer growth will pick up in the second half to levels comparable with the last six months of 2002.

It should be emphasised that this Orange growth is post paid and is of a quality to ensure a good return on the acquisition costs.

Orange post paid ARPU levels are down approximately 10% on last year. The main driver is the reduction in the local zone traffic. We believe that ARPU levels are sustainable in the second half of the year. The decrease in local zone traffic continues to improve the average outgoing tariff per minute with an increase to 29 cents.

On subscriber acquisition costs, we have seen an increase to $214 for the half. We are comfortable with this level relative to competitors' more aggressive offers in the market place.

The successful implementation of managed service arrangements for both technical services and Australian based call centre operations have dramatically reduced Orange employee numbers to only 207 at 30 June 2003.

These managed service arrangements form part of a significant period of restructure over the past two years during which Orange has reduced its employee numbers from a peak of approximately 1,600.

Our CDMA network continues to perform at industry leading levels and capital expenditure during the period comprised purely maintenance. We will focus on continuing to minimise 2G investment through the rest of the year.

Now, to **3**.

It has been a successful 6 month period for **3**.

In summary, we have delivered in all key areas:

- Australia's first W-CDMA networks have been successfully deployed: Sydney and Melbourne on 15 April, Brisbane, Adelaide and Perth on 1 July. These are not niche CBD centric networks, but comprehensive metro wide coverage.

- The **3** service has rapidly achieved clear differentiation against competitor offerings. Functionality of video calling, video messaging and video content is market leading. Our service pricing is aggressive and ground breaking.

- We have distribution. Our **3** retail chain has been quickly deployed and has set a new benchmark for our industry. As planned, we have also attracted leading mobile dealerships to sell **3,** with Strathfield Group and Allphones expanding our reach through June and July.

And, finally,

- Customers are buying and recommending the service. We are on track to pass 50,000 subscribers within the next two weeks and this is just the beginning.

At close of business last night, **3** had 43,650 subscribers. Each month since launch, our sales rate has grown significantly.

The step changes in growth have been driven by a combination of the following:

- the opening of the **3** dealer channel in late May
- the launch in Brisbane, Adelaide and Perth on 1 July
- the launch of our video calling 2 for 1 handset offer on 1 July; and
- increasing activity to drive brand and product awareness.

The underlying sales momentum is strong across all five cities and has exceeded our expectations for this stage of launch. Since 1 July alone, we have added 25,000 **3** subscribers.

With an unknown brand and a ground breaking new product, we had anticipated a longer period of customer education and brand promotion. As of this week, **3** is now facing the "nice to have" challenge that demand has exceeded supply and we have almost sold out of our NEC e606 stock.

We are continuing to drive the NEC e808 and Motorola A830 handsets through August. New handset models are expected to be introduced in volume during September.

These new handset models will help further raise the attractiveness of our service offering in the run up to Christmas.

So, who has joined **3** in our launch period?

The vast majority are clearly existing mobile users.

Approximately 60% of our customers have ported a mobile number from one of the incumbent operators, with the rate trending upwards.

It is important to note that our customer base is 100% post paid. This supports an early trend of average revenue and usage profile which is significantly above the current market average. Although I know there is a strong appetite for further information in this area, with the limited number of bill runs undertaken to date, it would be inappropriate to provide more specifics.

In terms of demographics, we have seen a strong uptake by younger users who tend to be earlier adopters of new technology and also by consumers interested in the benefits of video calling to friends and relatives in **3** markets overseas.

There has been a combination of acquisition drivers.

Clearly, the ground breaking functionality of video calling has been a huge attraction. It is a massive step up from basic voice communication and the consistent feedback from customers has been overwhelmingly positive.

Our voice pricing is also clearly attractive in the market. Our distinctive $99 monthly cap is market leading and is attracting higher spending customers to **3**. When combined with our free "on-net" call offer and our 15 cents per 30 seconds 24 by 7, we believe that **3**'s voice offer is simply the best in the market.

Finally, there are customers who want to own something which sets them apart – the latest technology with the most up-to-date capability. In today's mobile market, **3** is clearly the product of choice for these customers.

Through 2003 we are driving a rapid but controlled distribution rollout.

Our core distribution channel is our company owned retail chain. We launched in April with 19 **3** stores in prime retail locations. This has expanded to 36 in July and over the coming 3 to 4 months will effectively double again in the run up to Christmas.

Our retail rollout has been well executed, delivering attractive branding, prime selling locations and a refreshing approach which sets us apart from competitors.

Our products and brand have stimulated further distribution demand, and additional attractive distribution opportunities are opening up for us.

The quality and breadth of the distribution network has allowed us to achieve an acquisition cost consistent with the value of the customer, even with partial subsidisation of handsets.

Australia's five leading capital cities now all have comprehensive 3G coverage. Our coverage reach in each city is significant.

- Sydney – from Palm Beach in the north to Heathcote in the south, and from Bondi west to Penrith
- Melbourne – from Deer Park in the west to Ferntree Gully in the east and as far north as Epping to Mentone in the south
- Brisbane – from Bald Hills in the north, Coolangatta in the south, and Wacol in the west
- Adelaide – from Elizabeth in the north, Seaford in the south, and Magill in the east
- Perth – from Mindarie in the north, Kwinana in the south, and Midland and Armadale in the east

Outside these areas, we have national voice and SMS roaming coverage.

In total today 1,660 sites are operational for **3**. We have plans to enhance coverage with the rollout of a further 50 sites through to the end of 2003, approximately two a week, as well as improvements of in-building coverage. With ongoing optimisation and the dedicated efforts of the Hutchison and Ericsson global teams, our network performance will continue to strengthen through the course of this year.

Through 2004, we will continue to strengthen coverage and with the success of the initial customer uptake we are looking to expanding selectively into new coverage areas.

During the first half of 2002, $200 million of bank debt was raised to support the **3** business. Free cash flow in the period of negative $352 million for **3**, mainly comprised $76.4 million of start-up EBITDA losses and $252.9 million in capital expenditure.

Further debt funding requirements of approximately $600 million are expected in the second half of 2003 and will cover ongoing operation and customer growth in **3,** and settlement of outstanding capital expenditure for the network infrastructure. Funding is tracking within our business plan.

Our funding requirements continue to be fully supported by Hutchison Whampoa Limited which, in turn, continues to enjoy a very strong financial position.

Looking forward in 2003, our directions in both Orange and **3** are simple and consistent.

In Orange, we will continue to focus on managing cash flow, acquiring the right customers at the right cost and minimising the operating cost base.

In **3**, we will continue to aggressively build our customer base, significantly develop our product offering in handsets and service functionality, and strengthen our service offering in network and customer care.

Thank you.

Hutchison Telecommunications (Australia) Limited

Half Year Results to 30 June 2003

Kevin Russell
Chief Executive Officer
5 August 2003

Hutchison Telecoms

Telecommunications from

Key Financial Data

$ million	Half Year 30 Jun 2002	Half Year 31 Dec 2002	Half Year 30 Jun 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
EBITDA (2)			
3	-4.9	-79.8	-76.4
Orange	-16.2	2.1	12.2
Total EBITDA	-21.1	-77.7	-64.2
EBIT	-55.2	-120.6	-119.9
NPAT	-72.7	-124.6	-129.4

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

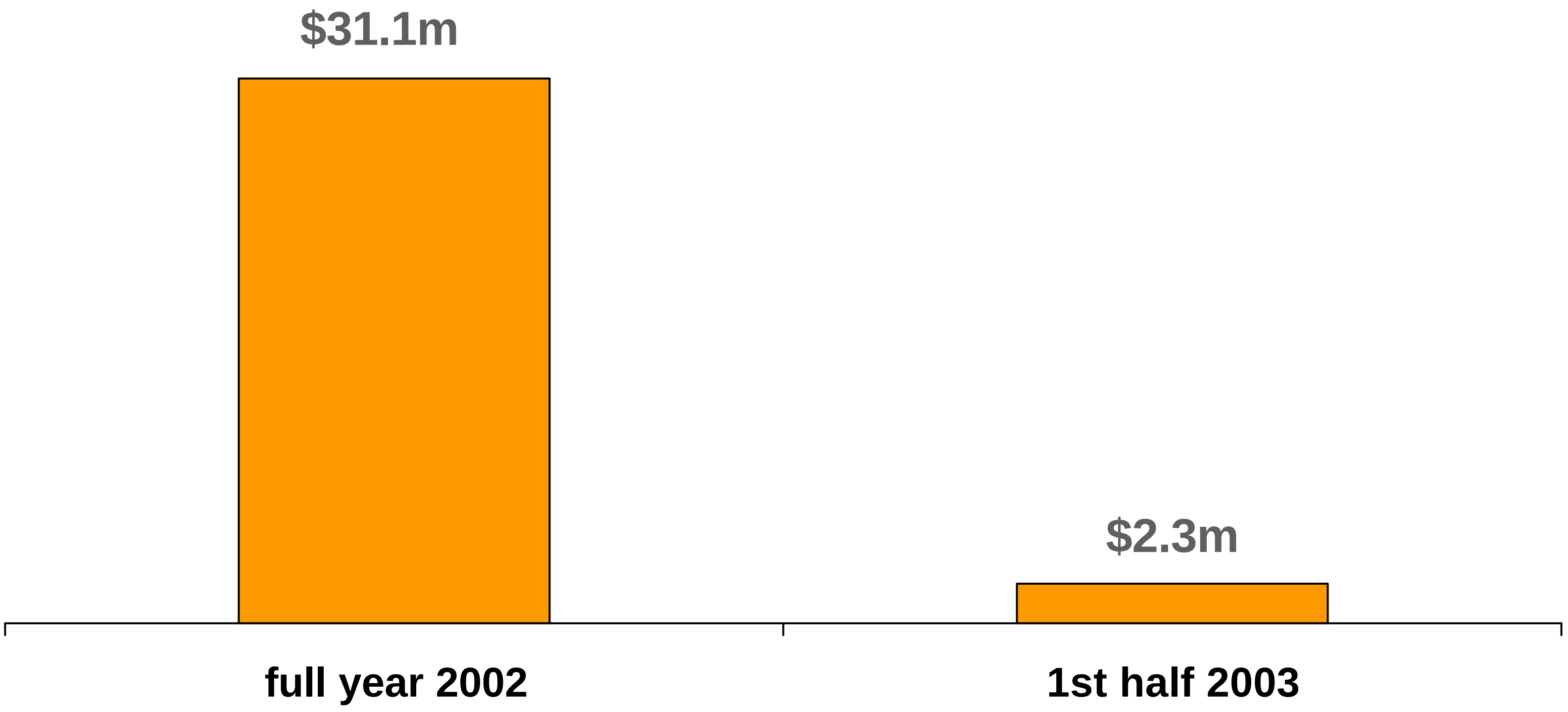
(2) EBITDA includes all subscriber acquisition costs (including those subscriber acquisition costs capitalised in accordance with UIG 42)

Orange Mobile Overview

Key Performance Indicators

	Half Year 30 Jun 2002	Half Year 31 Dec 2002	Half Year 30 Jun 2003
Subscribers	240,110	263,501	278,861
ARPU (post paid)	$62	$60	$56
Yield per outgoing minute	24c	28c	29c
SAC	$195	$183	$214
Employees	789	703	207

Orange Capital Expenditure



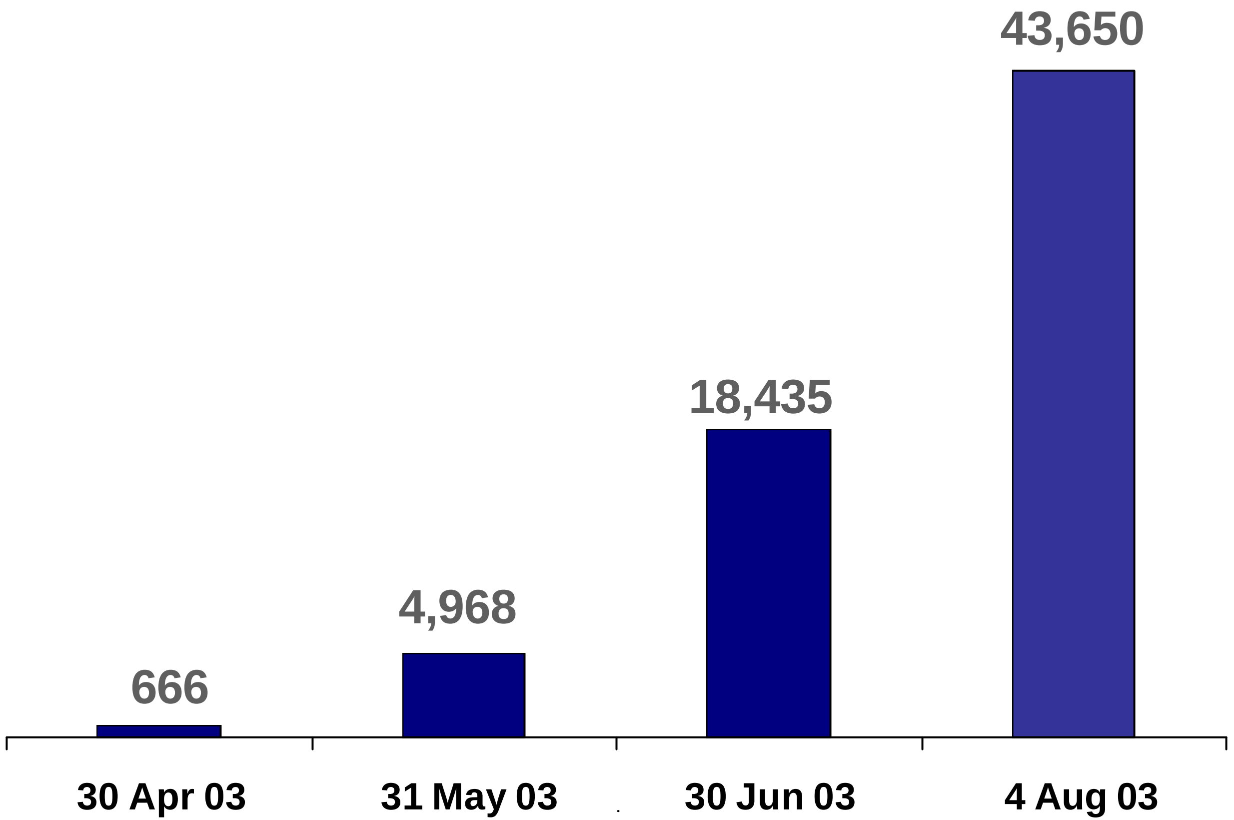
Minimal capital investment

3 Overview

3 Launch Overview

- W-CDMA (3G) networks launched in five capital cities
  - 15 April: Sydney, Melbourne
  - 1 July: Brisbane, Adelaide, Perth
- Clearly differentiated service offer
- Strong distribution capability established
- Customer take up and awareness rapidly growing

3 Subscribers



Strong sales momentum

3 Customer Profile

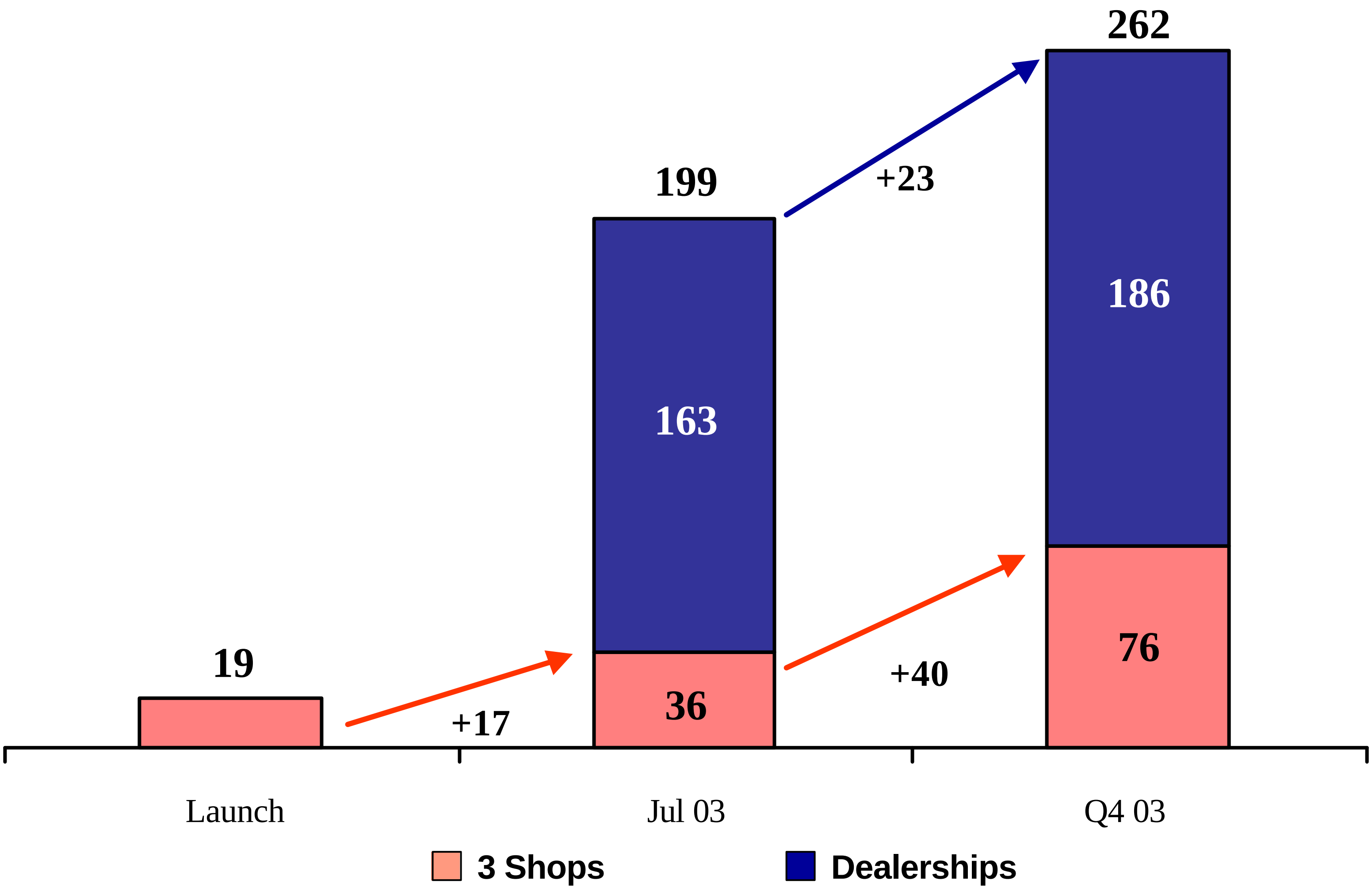
- Close to 60% of customers porting service to 3
- 100% post paid customers
- Majority between 20 - 35 years old
- Business and cultural links
  - Italy, UK, and Hong Kong

Hutchison
Telecoms

Key Motivators For Purchase

- **Video calling:**
  - **in 3 video zones in Australia and overseas**
- **Value:**
  - **aggressive voice pricing including voice cap**
  - **attractive “on-net” offer**
  - **lower than expected handset and service prices**
- **Status:**
  - **latest technology, first and only video calling service**

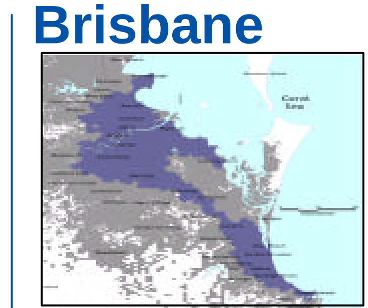
Distribution Reach

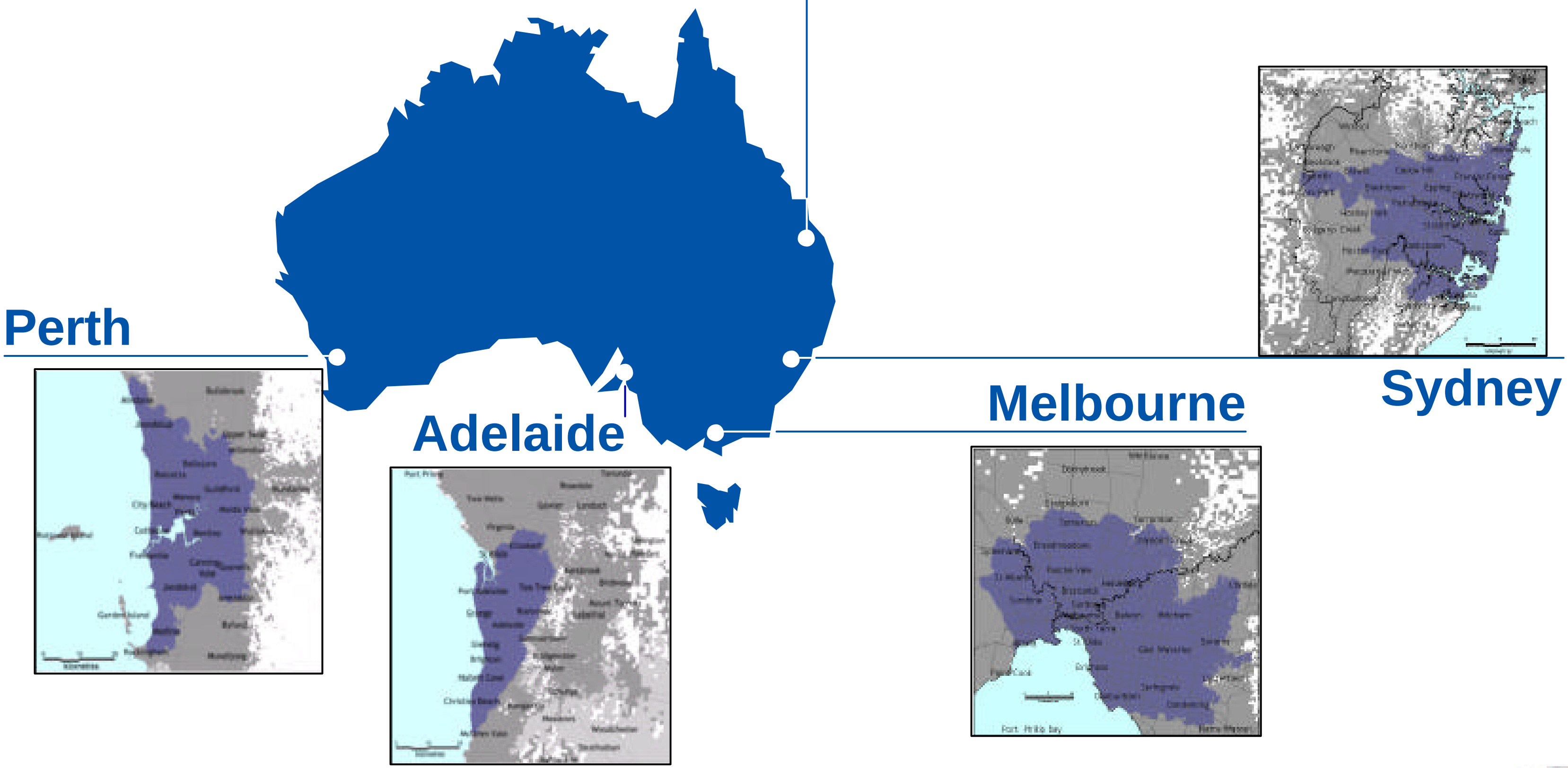


Strong retail presence

3 Network Coverage

Voice and SMS available nationally, covering 92% of the Australian population





Network Progress

- **Over 1,660 sites implemented. Approximately 50 sites still to be deployed this year**
- **Ongoing in-building coverage enhancement**
- **Possible expansion into new areas in 2004**

Funding

- $200 million of bank debt raised in the period
- Business plan objectives are being achieved within budgeted cash requirements
- Further debt funding requirements will be raised with the continued support of Hutchison Whampoa

Outlook

Looking Forward

Ongoing focus on cash flow and profitability

- the right customers
- the right customer acquisition cost
- the right operating cost structure

Leadership in 3G service provision

- aggressively build our customer base
- enhanced product offering
- improvement in network performance and customer care

Hutchison Telecoms

Telecommunications operations of Hutchison Whampoa Limited

HWL