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Companies Announcements Office

Australian Stock Exchange

Date 17 February 2004

Subject: Annual Results

Please find attached the Company's results for the year to 31 December 2003 in the form of Appendix 4E and accompanying press release.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited ASX Preliminary final report – 31 December 2003

Lodged with the ASX under Listing Rule 4.3A

This information should be read in conjunction with the 31 December 2003 Annual Report.

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Hutchison Telecommunications (Australia) Limited

Year ended 31 December 2003

(Previous corresponding period:
Year ended 31 December 2002)

Results for Announcement to the Market

Revenue from ordinary activities <i>(Appendix 4E item 2.1)</i>	up	49.5%	to	353,704
Profit/(Loss) from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.2)</i>	up	107.7%	to	(409,840)
Net profit/(loss) for the period attributable to members <i>(Appendix 4E item 2.3)</i>	up	107.7%	to	(409,840)

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

Record date for determining entitlements to the dividend
(Appendix 4E item 2.5)

N/A

Hutchison Telecommunications (Australia) Limited

Preliminary final report - Year ended 31 December 2003

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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 2003 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

Review of Operations

2003 marked a watershed year for Hutchison with the launch of Australia's first Third Generation (3G) W-CDMA network, branded **3**, and strong growth in the Orange CDMA mobile customer base.

The **3** network was launched in Sydney and Melbourne on 15 April and was later extended to cover Adelaide, Perth, Brisbane and the Gold Coast on 1 July. During the first year of operation, **3** successfully established clear product leadership and service differentiation resulting in encouraging initial customer take-up. In line with the original peak funding estimates for the business, start-up losses were incurred in the **3** business as it begins to build up a customer base and revenue stream.

In an increasingly saturated market for basic mobile voice services, the Company's Orange branded business continued to report solid post-paid mobile customer growth, particularly in the second half of the year, and delivered its first full year EBITDA positive position.

By the end of 2003, the combined **3** and Orange Mobile customer base had increased by 56% to 411,938 customers and the related revenue from operating activities in 2003 grew by 61% compared to the previous year.

Key Financial Data

\$ million	Full Year 31 Dec 2003	Half year 31 Dec 2003	Half year 30 June 2003	Full year 31 Dec 2002
Revenue				
3	88.2	74.6	13.6	-
Orange Mobile	221.9	120.2	101.7	192.7
Other services	30.0	14.8	15.2	34.6
Total revenue (1)	340.1	209.6	130.5	227.3
 Operating expenses				
3	-347.6	-262.4	-85.2	-84.7
Orange	-223.9	-119.2	-104.7	-247.3
 EBITDA (2)				
3	-306.1	-229.7	-76.4	-84.7
Orange	21.6	9.4	12.2	-14.1
 NPAT	-409.8	-280.4	-129.4	-197.3

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

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

Key Business Indicators

Customers

	As at 31 Dec 2003	As at 30 June 2003	As at 31 Dec 2002	% Change over past 12 months
Customer base				
3	86,758	18,435	-	n/a
Orange Mobile	325,180	278,861	263,501	23%
Orange Paging and other	48,612	51,674	60,259	-19%
Total customer base	460,550	348,970	323,760	42%
	Full year 31 Dec 2003	Half year 31 Dec 2003	Half year 30 June 2003	Full year 31 Dec 2002
Churn rate (i)				
Orange Mobile	2.0%	2.0%	2.0%	2.2%
3	1.1%	n/a	n/a	n/a

Revenue and Usage

	Full year 31 Dec 2003	Half year 31 Dec 2003	Half year 30 June 2003	Full year 31 Dec 2002
Orange Mobile				
ARPU (ii)	\$55	\$54	\$56	\$61
Minutes usage per customer (iii)	135	143	127	154
3				
ARPU (ii)	\$80	n/a	n/a	n/a
Minutes usage per customer (iii)	300	n/a	n/a	n/a
ARPU contribution from non- voice services (iv)	\$10	n/a	n/a	n/a

- (i) Churn represents the average monthly churn for the period (excluding churn between Orange and 3).
- (ii) Average revenue per user (ARPU) represents the monthly average revenue per post-paid subscriber for the period.
- (iii) Minutes usage per customer represents the average monthly number of outbound minutes of usage per post-paid subscriber for the period.
- (iv) Amount represents non-voice ARPU in the month of December

Operating Results

As at 31 December, the Company's total customer base was 460,550 of which 325,180 were Orange Mobile customers. The Orange Mobile customer base grew by 23% over the 12 months to 31 December, with over 60,000 additional post-paid customers on the network and net growth in the second half of 46,319 or 17%.

The Company's 3 network, which was launched during the year, had 86,758 customers by the end of the year, with 68,323 net post-paid additions in the second half.

Also at 31 December, the Company had 46,839 Orange Paging and Messaging customers and 1,773 Mobile Resale customers.

Total operating revenue for the reporting period was \$340.1 million, an increase of 50% compared to the 12 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 Company's **3** branded business, a negative EBITDA of \$306.1 million was recorded reflecting start-up losses consistent with the business' early stage of development. This compares to last year's negative EBITDA of \$84.7 million. Costs which are largely fixed in nature, such as network operating costs, contributed to the net loss position and emphasizes the Company's strategy for **3** to rapidly grow the revenue base with aggressive customer acquisition. In addition to increased post launch expenditure on network operations, acquisition focused expenditure on advertising and promotion increased to \$56.3 million compared to \$1.3 million in the prior year.

The Company's Orange branded business reported a positive EBITDA result for the full year. Despite stronger customer growth in the second half and the associated acquisition costs, EBITDA for the 12 months ending 31 December was \$21.6 million, compared to a negative EBITDA of \$14.1 million in the 12 months ended 31 December 2002.

The Company's net loss after tax for the period was \$409.8 million compared to a loss of \$197.3 million in the prior year, an increase of \$212.5 million which is principally attributable to the launch of **3**. In addition to the change in EBITDA described above, post launch commencement of depreciation and amortisation of the **3** network and licence costs plus borrowing costs on the funding of the **3** network rollout resulted in an increased charge in the consolidated profit and loss account of \$151.3 million.

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.

Initial customer take-up for the service has been encouraging. As at 30 June the Company had 18,435 customers, quickly growing to 43,650 by 4 August. Although customer take-up in the second half of the year has been impacted by low availability of handsets, the number of customers increased to 86,758 by 31 December and is currently over 100,000.

The launch offer was supported by three handset models from Motorola and NEC and this range was further enhanced with two additional models from Motorola in October. The Company expects the existing range to be further strengthened with new and improved models in the coming weeks from both existing and new handset vendors.

The launch of services was supported by a strong multi-channel retail distribution reach. By the end of 2003, **3** services were being sold through 57 Company-operated shops and a further 200 retail points of presence in key locations in all mainland state capital cities through Orange Mobile dealerships, Strathfield Car Radio, Brisbane Car Sound and Allphones.

As at 31 December, the Company had over 1,700 network sites in operation and expects to deploy a further 200 network sites within existing coverage areas in 2004 to enhance capacity and coverage.

The pricing offer released at launch, which received positive feedback from both consumer and business customers, provides attractive pricing for the service's distinctive core products - video calling, messaging, video based content services, as well as industry-leading pricing for its basic voice service.

The service pricing has attracted high spend customers with propensity for above average usage in both voice and non-voice services. As a result ARPU of \$80 is significantly above the industry average.

Non-voice revenue contributed approximately \$10 of ARPU in December and has been trending upwards as service familiarity and improved handsets are introduced. Over 50% of the customer base was charged for content usage in December with games, ringtones and video content proving to be popular services. In addition, MMS and video calling usage has also been encouraging.

Based on extensive knowledge and experience gained since launch and feedback received from its growing customer base characterised largely by early adopters of new services, 3 is committed to a program of continual expansion and enhancement of its non-voice services to maintain its product and brand leadership position.

Monthly churn, a useful indicator of customer satisfaction, was 1.1% for the period of operation, well within industry benchmarks.

Orange Mobile

During the period, growing signs of market saturation in the basic voice market were demonstrated by a significant growth in lower value pre-paid acquisition and continuing propensity for aggressive acquisition methods by operators.

Despite these market conditions, Orange Mobile continued to demonstrate strong customer appeal with its leading value voice proposition. Underlying revenue for the reporting period grew to \$221.9 million from \$192.7 million in the prior year. This reflects net growth of over 60,000 post-paid customers in the year of which over 75% were brought on in the second half of the year.

As well as increased service credits which have stimulated acquisition (but have impacted the revenue and ARPU statistics), other pricing initiatives introduced during the year were 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.

Average monthly minutes of use (excluding local zone) per post-paid subscriber increased by 41% in the reporting period from 71 minutes to 100 minutes, although a decline in lower margin Local Zone minutes as well as the introduction of call credits and call rate incentives contributed to a 10% decline in Orange Mobile post-paid ARPU to \$55 compared to the previous year.

Average customer acquisition costs (excluding service credits) are in line with the prior period and are considered to be at an acceptable level in the current market conditions.

Average monthly churn levels have stabilised at 2.0% and have shown a marginal improvement over the previous year.

In January 2004 the Company announced that strong customer growth in the Orange Mobile service has prompted the expansion of its CDMA network capacity using a combination of IS95 and 1x technology. The upgrade comprises an overlay on existing base station sites as well as four new sites and two new voicemail systems, and is expected to be completed by mid 2004. Capital expenditure requirements for the upgrade have been estimated at approximately \$40 million, of which \$30 million is subject to a three-year deferred payment arrangement.

Orange Paging, Messaging and Resale

The Company's other Orange branded products include Orange Paging, Messaging and CDMA Resale Services. With a combined customer base of 48,612 as at 31 December, these products delivered \$30.0 million of revenues in the reporting period compared to \$34.6 million in the prior year.

Operating Expenditure

Total operating expenditure for the reporting period for the Company's Orange and **3** businesses was \$571.5 million compared with \$332.0 million in the prior year, reflecting a \$23.4 million improvement in the cost base of the Orange business but offset by an increase in expenditure of \$262.9 million in the **3** business.

Consolidated direct costs of providing telecommunications goods and services increased from \$131.0 million in 2002 to \$310.1 million in the current year, mainly reflecting the launch of the **3** business and the associated post launch network operating expenditure, customer acquisition and care costs.

Employment costs expensed in the reporting period were \$91.8 million compared with \$81.4 million in the prior year. As part of ongoing refining of the operating cost structure and following the successful implementation of a managed services agreement with Ericsson, the Company also outsourced its Orange Mobile, Paging and Messaging call centre activities during the reporting period. As a result, the headcount in the Orange business was reduced to 243 compared to 703 at 31 December 2002. Headcount supporting the **3** business at 31 December was 980.

Expenditure on advertising and promotions increased from \$22.2 million in the 12 months ended 31 December to \$71.9 million in the current reporting period. This reflects the high profile launch of the **3** brand and service campaigns which have driven store traffic and customer growth in that business. By the end of the year prompted brand awareness of **3** was a pleasing 92%.

Rental expense has increased from \$21.0 million to \$50.2 million in 2003 mainly due to an increase in the number of network sites to support the launch of the **3** network.

Due to the higher customer base, bad debt for the current reporting period increased in line with expectations to \$7.1 million from \$5.5 million in the 12 months to 31 December 2002.

Other operating expenditure includes travel and accommodation, consulting and professional fees, general repairs and maintenance and office expenses. Total other expenses of \$40.3 million have grown by 6% compared to 2002 due to increased activity in the **3** business.

Capital Expenditure and Funding

Total payments on capital expenditure for the Company's Orange and **3** businesses in the 12 months to 31 December were \$361.9 million compared with \$410.5 million in the prior year. With planned capacity expansion on both the Orange Mobile and **3** networks, the Company expects a higher level of capital expenditure in 2004, however the quantum of change is dependent on customer growth.

Capital expenditure on the development of the **3** operations totalled \$359.5 million for site deployment, network, IT systems and product development.

Depreciation and amortisation for the **3** business was \$107.7 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 \$2.5 million, reflecting the minimal upgrade and expansion requirements for the network in the reporting year.

Depreciation and amortisation for the Orange business of \$67.6 million in the 12 months to 31 December compares to \$71.2 million for the prior reporting period.

Consolidated borrowing costs of \$91.9 million have increased from \$44.7 million in prior year. During the reporting period, net short term loans of \$588.0 million have been drawn down to fund capital expenditure and working capital requirements principally in the **3** business.

As at 31 December, the Company had \$8.5 million of cash invested in short term deposits. Currently borrowings consist of an intercompany loan of \$196.0 million from the immediate parent company, a \$425.0 million medium term note issue, \$600.2 million of convertible notes and \$750.0 million of short term facilities provided by leading local and international financial institutions. The 3 operation also has further facilities in place with Hutchison Whampoa Limited which are currently undrawn. Funding requirements for 2004 are expected to be in the region of \$1 billion and will be raised with the continued support of Hutchison Whampoa Limited.

Outlook

2003 continued to show a slowdown in the penetration of the post-paid basic mobile voice market. However, in 2003, particularly in the second half of the year, Orange Mobile demonstrated that its value proposition accommodates an existing need in the market for simple, low cost voice and basic data services.

With an encouraging start and ongoing enhancement to product and handset offerings, 3 will continue to build momentum through rapid customer acquisition in targeted segments.

Driving profitable customer growth will continue to be the Company's key priority as its works to deliver one million mobile customers across its Orange and 3 businesses by the end of 2005. The Company will then be on track to achieve a free cash flow position across all its businesses by the end of 2006.

Hutchison Telecommunications (Australia) Limited
Consolidated statement of financial performance
For the year ended 31 December 2003

	2003	2002
	\$'000	\$'000
Revenue from ordinary activities	353,704	236,521
Direct costs of provision of telecommunication services and goods	(310,131)	(131,025)
Depreciation and amortisation	(175,327)	(71,164)
Borrowing costs	(91,885)	(44,720)
Employment cost	(91,812)	(81,400)
Advertising and promotions	(71,894)	(22,246)
Rental expense relating to operating leases	(50,225)	(21,007)
Bad and doubtful debts	(7,127)	(5,495)
Site acquisition cost	-	(34,634)
Other	(40,280)	(37,948)
Loss from ordinary activities before income tax	(484,977)	(213,118)
Income tax	-	-
Loss from ordinary activities after income tax	(484,977)	(213,118)
Net loss attributable to outside equity interest	75,137	15,792
Net loss attributable to members of Hutchison Telecommunications (Australia) Limited	(409,840)	(197,326)
Total changes in equity other than those resulting from transactions with owners as owners	(409,840)	(197,326)
Basic earnings per share	(60.4)	(29.1)
Diluted earnings per share	(60.4)	(29.1)

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

Hutchison Telecommunications (Australia) Limited
Consolidated statement of financial position
as at 31 December 2003

	2003	2002
	\$'000	\$'000
Current Assets		
Cash	34,282	39,256
Receivables	97,867	45,064
Inventories	27,304	3,842
Other	71,850	268,580
Total Current Assets	<u>231,303</u>	<u>356,742</u>
Non-Current Assets		
Receivables	16,992	5,818
Other financial assets	-	-
Property, plant and equipment	1,151,512	885,146
Intangible assets	1,014,843	1,015,160
Other	43,466	46,876
Total Non-Current Assets	<u>2,226,813</u>	<u>1,953,000</u>
Total Assets	<u>2,458,116</u>	<u>2,309,742</u>
Current Liabilities		
Payables	167,040	129,461
Interest Bearing Liabilities	590,731	-
Provisions	602	15
Other	1,023	1,121
Total Current Liabilities	<u>759,396</u>	<u>130,597</u>
Non-Current Liabilities		
Interest Bearing Liabilities	1,227,386	1,222,079
Provisions	580	1,336
Total Non-Current Liabilities	<u>1,227,966</u>	<u>1,223,415</u>
Total Liabilities	<u>1,987,362</u>	<u>1,354,012</u>
Net Assets	<u>470,754</u>	<u>955,730</u>
Equity		
Parent entity interest		
Contributed Equity	1,031,244	1,031,244
Reserves	54,887	54,887
Accumulated losses	<u>(865,926)</u>	<u>(456,086)</u>
Total parent entity interest	220,205	630,045
Outside equity interest in controlled entities	<u>250,549</u>	<u>325,685</u>
Total Equity	<u>470,754</u>	<u>955,730</u>

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

Hutchison Telecommunications (Australia) Limited
Consolidated statement of cash flows
For the year ended 31 December 2003

	2003 \$'000	2002 \$'000
Cash Flows from Operating Activities		
Receipts from customers (inclusive of GST)	304,926	305,037
Payments to suppliers and employees (inclusive of GST)	(649,390)	(380,671)
	<u>(344,464)</u>	<u>(75,634)</u>
Dividends received	13	37
Interest received	5,630	6,899
Borrowing costs	(70,676)	(40,889)
Net cash outflow from operating activities	<u>(409,497)</u>	<u>(109,587)</u>
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	321	1,736
Payments for property, plant and equipment	(361,920)	(410,547)
Payments for investment in shares in subsidiary	-	-
Proceeds / (payments) from investment in commercial paper	248,400	(256,900)
Loans to subsidiaries	-	-
Repayment of loans by subsidiaries	-	-
Payments for intangible assets	(68,848)	(39,312)
Net cash outflow from investing activities	<u>(182,047)</u>	<u>(705,023)</u>
Cash Flows from Financing Activities		
Proceeds from interest bearing liabilities	687,206	600,176
Proceeds from issue of shares	-	150,000
Repayment of interest bearing liabilities	(99,206)	-
Repayment of finance lease	(1,430)	-
Net cash inflow from financing activities	<u>586,570</u>	<u>750,176</u>
Net Decrease in Cash Held	(4,974)	(64,434)
Cash at 1 January	<u>39,256</u>	<u>103,690</u>
Cash at 31 December	<u>34,282</u>	<u>39,256</u>

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

Hutchison Telecommunications (Australia) Limited

Notes to the consolidated financial statements

For the year ended 31 December 2003

Note 1 Basis of preparation of financial report

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

As a result of applying the new accounting standard AASB 1044 Provisions, Contingent Liabilities and Contingent Assets for the first time, certain liabilities have been reclassified.

Hutchison Telecommunications (Australia) Limited and its controlled entities ("the Consolidated Entity") incurred a net loss attributable to members of \$409,840,000 during the year ended 31 December 2003 (2002: loss of \$197,326,000) and had an operating cash outflow of \$409,497,000 (2002: \$109,587,000).

Current cashflow forecasts estimate up to a further \$1 billion must be raised to fund the continued development and operating cash requirements of the "3" business during the next 12 months. Under existing agreements between Hutchison Telecommunications (Australia) Limited, Hutchison Whampoa Ltd ("HWL") and Telecom Corporation of New Zealand ("TCNZ"), HWL has committed to ensuring that the company has access to this funding. Therefore based on this support the Directors believe that it is appropriate to prepare the financial report on a going concern basis.

This preliminary final 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 2003 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 Earnings per share

	2003	2002
	Cents	Cents
Basic earnings per share	(60.4)	(29.1)
Diluted earnings per share	(60.4)	(29.1)

	2003	2002
	Number	Number
Weighted average number of ordinary shares outstanding during the year (adjusted for bonus elements in ordinary shares issued during the year) used in calculation of basic earnings per share	678,625,429	678,625,429
Weighted average number of ordinary shares and potential ordinary shares outstanding during the year used in the calculation of diluted earnings per share.	1,587,983,579	1,587,983,579

Note 3 Segment Information

Business Segments

The Consolidated Entity operated entirely within the telecommunications industry with the following product and service types:

Orange

Orange products including post pay and prepaid mobile 'Orange', paging and information services.

3

A third generation (3G) mobile network and business which commenced operations in the second quarter of 2003.

Geographical Segments

The Consolidated Entity operates entirely within Australia.

Primary reporting - business segments

	Orange	Intersegment eliminations/ 3unallocated		Consolidated
	\$'000	\$'000	\$'000	\$'000
2003				
REVENUE				
Sales to customers	251,907	88,249	-	340,156
Other revenue	22,228	8,541	(17,221)	13,548
Total segment revenue	<u>274,135</u>	<u>96,790</u>	<u>(17,221)</u>	<u>353,704</u>
RESULT				
Segment result	<u>(113,652)</u>	<u>(377,571)</u>	6,246	<u>(484,977)</u>
Loss from ordinary activities before income tax				(484,977)
Income tax				-
Net loss				<u>(484,977)</u>
Segment assets	1,866,228	2,002,900	(1,411,012)	2,458,116
Segment liabilities	1,343,398	747,629	(103,665)	1,987,362
Acquisition of property, plant and equipment and intangible assets	22,743	397,834	10,191	430,768
Depreciation and amortisation	67,606	107,721	-	175,327
Non-cash expenses other than depreciation and amortisation	18,343	17,688	-	36,031
Net cash outflow from operating activities	88,958	349,319	(28,780)	409,497
2002				
REVENUE				
Sales from customers	227,346	-	-	227,346
Other revenue	38,855	5,483	(35,163)	9,175
Total segment revenue	<u>266,201</u>	<u>5,483</u>	<u>(35,163)</u>	<u>236,521</u>

	Orange \$'000	3 \$'000	Intersegment eliminations / unallocated \$'000	Consolidated \$'000
RESULT				
Segment result	(138,487)	(79,354)	4,723	(213,118)
Loss from ordinary activities before income tax				(213,118)
Income tax				-
Net loss				(213,118)
Segment assets	2,014,833	1,707,418	(1,407,226)	2,315,025
Segment liabilities	1,377,913	74,576	(93,194)	1,359,295
Acquisition of property, plant and equipment and intangible assets	47,958	428,105	-	476,063
Depreciation and amortisation	71,164	-	-	71,164
Non-cash expenses other than depreciation and amortisation	29,255	-	-	29,255
Net cash outflow from operating activities	(14,989)	(109,332)	14,734	(109,587)

Hutchison Telecommunications (Australia) Limited Supplementary Appendix 4E information

Additional dividend/distribution information ² (Appendix 4E item 6)

Details of dividends/distributions declared or paid during or subsequent to the year ended 31 December 2003 are as follows: N/A

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

N/A

Retained Earnings (Appendix 4E item 8)

	2003 \$	2002 \$
Retained earnings at the beginning of the financial year	(456,086)	(258,760)
Net profit attributable to members of Hutchison Telecommunications (Australia) Limited	(409,840)	(197,326)
Retained profits at the end of the financial year	<u>(865,926)</u>	<u>(456,086)</u>

NTA Backing (Appendix 4E item 9)

	2003	2002
Net tangible asset backing per ordinary share	(\$0.80)	(\$0.09)

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

N/A

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

N/A

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 was unqualified, will be made available with the Company's financial report.

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, which have been audited. The audit report, which was unqualified, will be made available with the Company's financial report.
6. The entity has a formally constituted audit committee.

FOK Kin-ning, Canning
Chairman
17 February, 2004

Media Release

17 February 2004

Hutchison attracts strong customer and revenue growth

3 delivers over 100,000 customers in ten months of operation. Orange delivers full year of positive EBITDA and outperforms market post paid growth, delivering 23% customer growth

Hutchison today announced its full-year results for the period ended 31 December 2003.

Hutchison Chief Executive Kevin Russell said 2003 was a significant year for Hutchison, marked by a 61% increase in mobiles revenue, strong customer growth in **3** and Orange and the prospect of even greater growth in 2004.

"In 2003 Hutchison set a platform to stake its claim as a major player in the Australian mobile market in the years ahead," Mr Russell said. "We now have over 440,000 mobile customers across **3** and Orange."

"In Orange, we significantly increased our sales rate in the second half, to post over 325,000 customers at year end. Strong growth is continuing in 2004, with more than 15,000 additions by close of business yesterday. With ongoing cost discipline, we were able to record our third successive half-year of positive EBITDA performance in 2003, including our first full year of positive EBITDA.

"In **3**, we have passed the 100,000 customer mark and our handsets, services and pricing offers have progressively built into a clearly differentiated product offering against our competitors."

"Losses in **3** are consistent with our business plan and with our rapid growth in **3** and Orange we are working towards one million mobile customers across the two businesses by the end of 2005," he said.

The telecommunications industry in Australia and Europe was now turning its eye to third generation mobile services, where **3** is currently the only global player to have launched services in multiple markets.

"In Australia we have a jump of at least a year or two on our competitors – and 2004 is going to begin to show how important that lead is," Mr Russell said.

Key financial results for the full-year included:

- Total operating revenue of \$340.1 million, an increase of 50% on the previous corresponding year
- Net loss of \$409.8 million -- within the planned \$3 billion project funding cost.

Operating highlights

Orange

- Orange Mobile contributed \$221.9 million to total revenue, an increase of 15% on the previous year
- Full year positive EBITDA result of \$21.6 million compared with EBITDA loss of \$14.1 million in the previous year
- 23% growth in Orange Mobile customer numbers, to a total of 325,180.

3

- Launched in Sydney and Melbourne in April, **3** contributed \$88.2 million to total revenue
- EBITDA loss of \$306.1 million, reflecting start-up losses consistent with the business's early stage of development
- Customer numbers grew to 86,758 by year-end; currently over 100,000
- Average revenue per user of \$80 and churn rate of 1.1%

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About Hutchison Telecommunications (Australia) Limited

Hutchison Telecoms is a listed Australian company (ASX:HTA) leading the introduction of innovative wireless services in the Australian mobile market. Its principal activities include the operation of its Orange telecommunications business as the provider of choice for value based voice and messaging services; and pioneering the introduction of content-rich mobile multimedia services under the global brand **3**. Hutchison Telecoms is majority-owned by Hutchison Whampoa Limited, a Hong Kong listed multinational company.