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Companies Announcements Office

Australian Stock Exchange

Date 18 August 2004

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 (with speaking notes) 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

18 August 2004

Strong Half for Hutchison

3 and Orange customer numbers rise to 691,000

Hutchison Telecoms today announced financial results for the first half of 2004, delivering industry-leading growth in its two businesses, Orange and **3**.

Hutchison mobile customer numbers climbed from 297,296 at June 30 last year, to 626,476 at June 30 this year – an increase of 110 per cent. Today, that figure is 691,000.

In the same period, mobiles revenue jumped 155 per cent, from $115.3 million to $293.9 million. This followed 61 per cent growth in mobiles revenue in 2003.

Hutchison Chief Executive Kevin Russell said the first half growth of 2004 built upon the solid growth recorded by Hutchison in 2003, the launch year for Australia's only third generation mobile business, **3**.

"A very positive aspect is the growing momentum in **3** this year – and the improved performance of Orange," Mr Russell said. "In the half we added more than 150,000 post-paid customers in **3** and more than 60,000 in Orange – a combined postpaid growth of 215,000."

Mr Russell said it was also pleasing that the strong growth was accompanied by robust average revenue per user (ARPU) outcomes for both businesses.

"At $85, **3** has the industry's highest ARPU," Mr Russell said. The outcome for the first half in Orange was an increase in ARPU from $54 to $57.

"We are also seeing industry-leading non-voice revenue contributions in **3** – an area which is a major focus for us in the next 12-24 months."

With new handset models to come and continuing improvement in products and services, the second half of the year could be expected to repeat the strong customer growth of the first half, Mr Russell said.

"We are increasingly making our mark now. **3** and Orange have strong customer appeal – and are attracting quality customers who are showing a willingness to stay with us. That gives us great confidence going forward," he said.

Mr Russell said Hutchison's losses were consistent with the company business plan, for this stage of the development of **3**.

"The start-up losses are flattening and will decline through 2005," he said.

../2

"As we grow, we are constantly vigilant on all aspects of capital and operational expense to ensure the business retains a competitive cost structure."

"Overall, the business is heading firmly in the right direction. Orange is doing well and **3** is getting good traction in the market.

"We have a big opportunity ahead as we continue to build our operating strengths and our customer base ahead of the anticipated market stimulus from the arrival of competition in 3G."

Other financial and operating highlights include:

- Total operating revenue of $306.7m, compared to $209.6m in the previous six months
- Net loss of $280.5m, compared to $280.4m in the previous six months.
- 3 revenue of $144.6m, up from $74.6m in the previous six months.
- Orange mobile revenue of $149.3m, up from $120.2m in the previous six months.
- Orange EBITDA of $13.1m -- fourth consecutive half-year of positive EBITDA.

For more information, contact:

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Media Relations Manager
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Hutchison Telecommunications (Australia) Limited

2004 First Half Year Results

Kevin Russell
Chief Executive Officer
18 August 2004

Hutchison Telecoms

Telecommunications from Hutchison Whampoa Limited

Highlights

Hutchison Telecoms

- 110% increase in mobile customers to over 626,476
- 155% increase in mobile revenues
- Total mobile customer base of 691,000 as at 18 August

- Strong customer acquisition rates continue in 2H 2004
- ARPU levels grow to market leading levels
- Strong non-voice ARPU contribution
- Depth and breadth of service offering improved
- Ongoing operational strengthening

orange™

- YTD mobile customer growth already exceeds previous full year performance
- Improved customer profile deliver increased ARPU
- Positive EBITDA position maintained

Key Financial Data

$ million	Half Year 30 Jun 2004	Half Year 31 Dec 2003	Half Year 30 Jun 2003
Revenue (1)			
3	144.6	74.6	13.6
Orange mobile	149.3	120.2	101.7
Other Services	12.8	14.8	15.2
Total Revenue	306.7	209.6	130.5
EBITDA (2)			
3	-159.2	-187.0	-73.5
Orange	13.1	17.5	11.7
NPAT (3)	-280.5	-280.4	-129.4

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

(2) Revenue less operating expenses.

(3) NPAT attributable to Hutchison Telecommunications (Australia) Ltd after outside equity interests.

Hutchison Telecoms

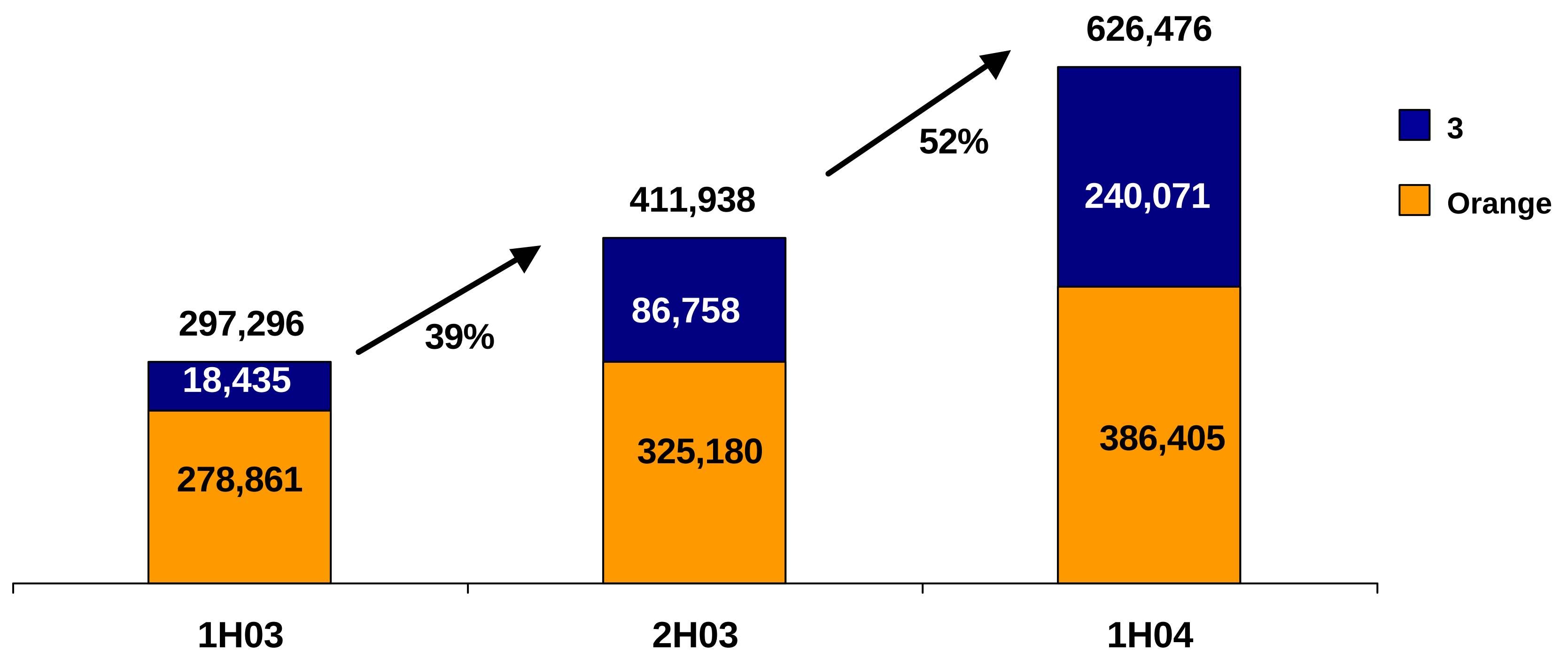
Key Performance Drivers

- Ongoing revenue growth
  - acquisition of profitable market share
  - incremental contribution from non-voice revenue
- Margin improvements and optimisation of cost structure
  - reduction in roaming and termination charges
  - sharing of radio access network
    - – significant ongoing capex and opex savings
  - reduction in handset prices
  - CAC consistent with quality of customer and growth rates
  - economies of scale in customer care provisioning

Top line growth together with industry leading cost structure

Hutchison Telecoms

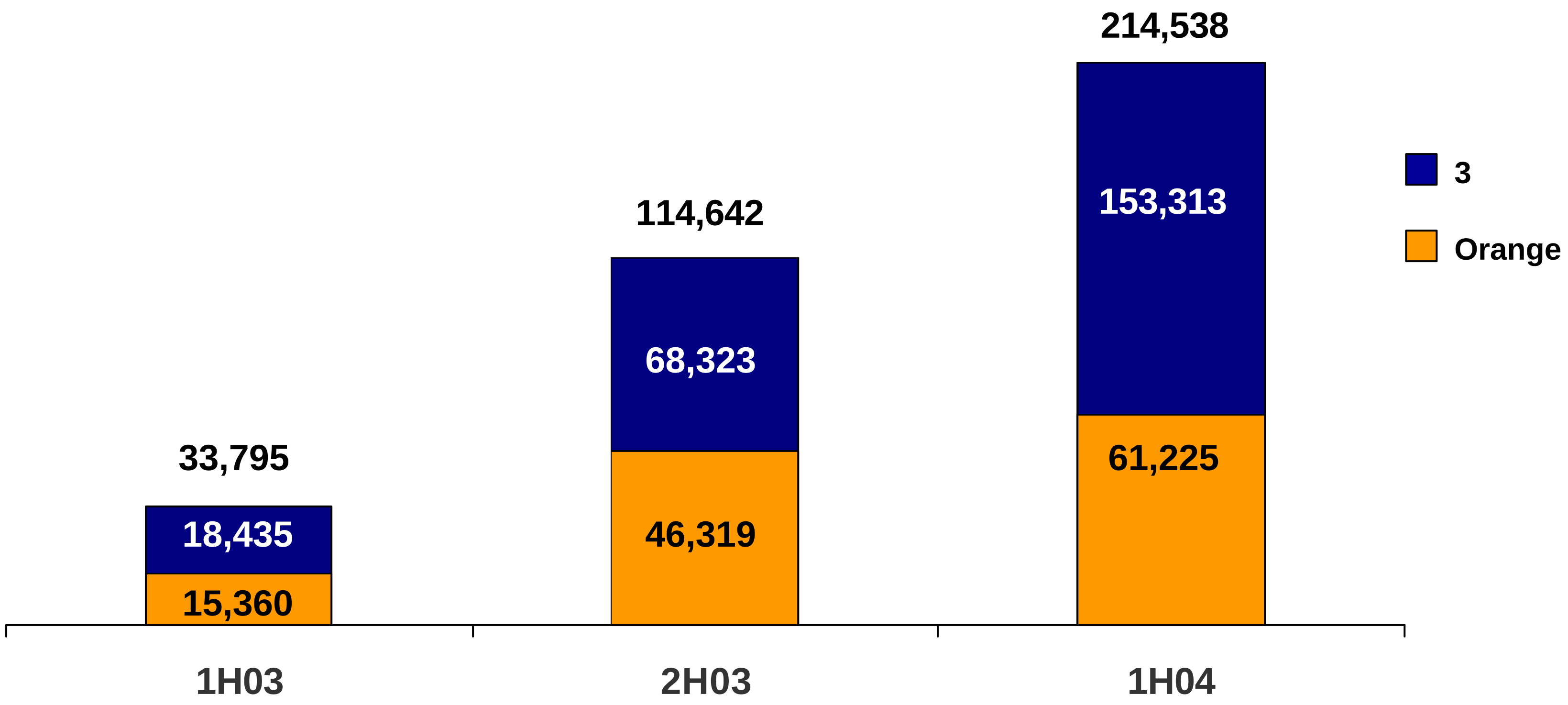
Mobile Customers



On track to achieve 1 million mobile customers in 2005

Hutchison Telecoms

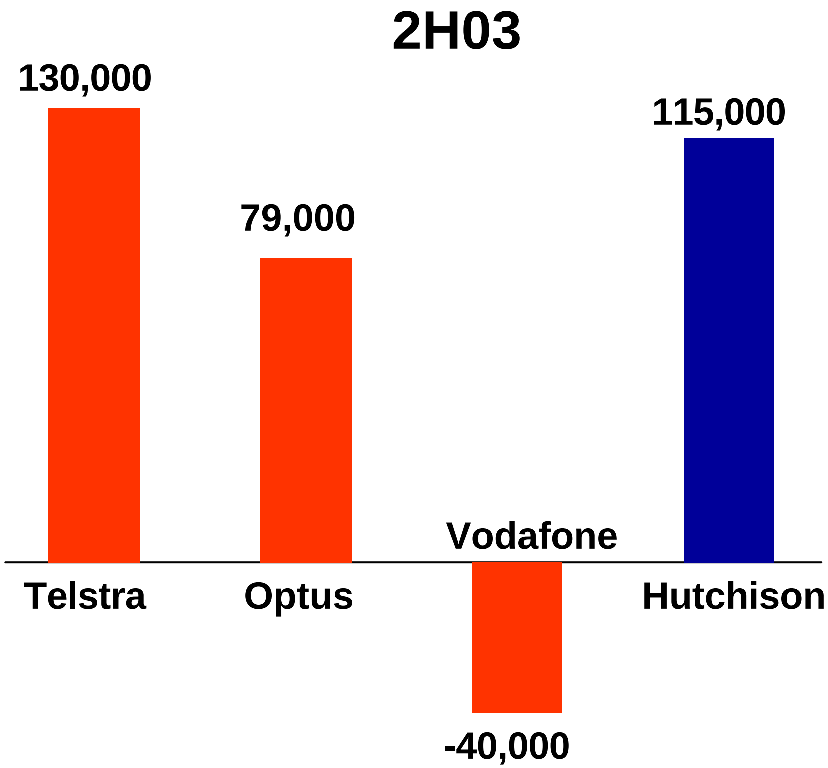
Net Customer Growth



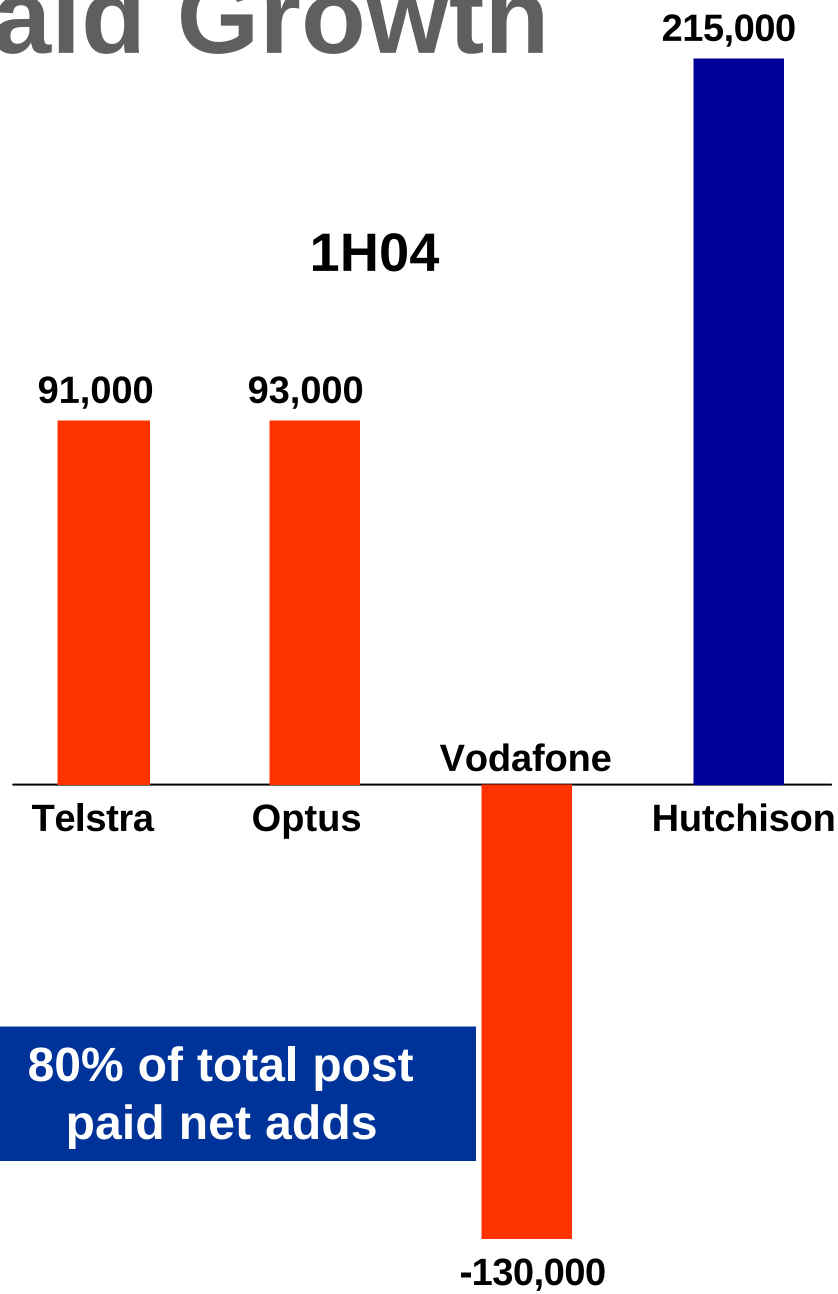
Record half of customer growth

Hutchison Telecoms

Market Net Post Paid Growth



40% of total post paid net adds

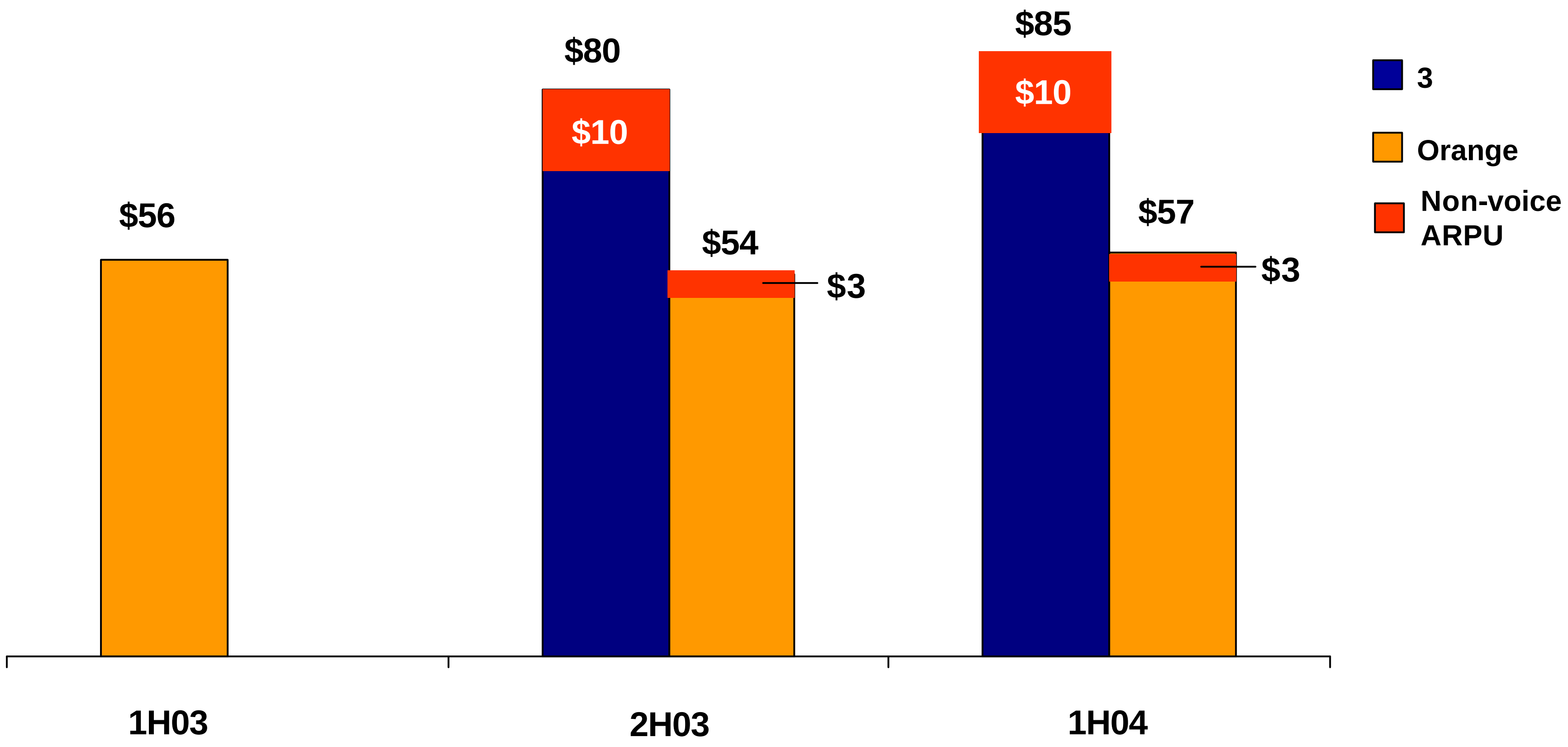


80% of total post paid net adds

Hutchison Telecoms

Source: company estimates

Average Revenue per User (ARPU)



Strong customer revenue profile

Hutchison Telecoms

Market Leading Offering with 3

- Comprehensive and targeted tariff offerings
  - target segment broadened with prepaid launch this week
- Increased consumer focus on differentiated service offering
  - Big Brother, Sony & Warner music, multiplayer games, Playboy
  - comprehensive business messaging solution
- Handset range now includes 7 handsets and datacard
  - LG handset sets benchmark for mass consumer handset
  - new handset models from existing and new vendors in the pipeline
- Network strengthening with dropped call rate at 2%
- Over 500 selling points complementing 65 company owned stores

Voice Leading Offering With orange™

- Value leadership for basic voice services cemented
  - simple, targeted mobile calling rates
  - on-net and fixed line replacement incentives
  - clear and concise market communications driving results
- Service enhancements targeting proven revenue generators
  - international SMS, enhanced WAP 2.0, ring-tones
- Handset becoming a strategic tool
  - range closing the gap with competitive GSM offering
- Network upgrade with 1x overlay
  - increased capacity
  - improved performance

Funding

- $1 billion in equity contribution – already in place
- Additional facility with HWL – in place
- $1.5 billion bank facility – signed on 17 August 2004
  - five year term
  - favourably priced
  - strong support from local and international banks

Anticipated peak funding requirements already covered

Hutchison Telecoms

On Track

- **Strong customer and revenue growth to continue**
- **Achieving strong results within a proven dual brand strategy**
- **Tight capital and operational expenditure discipline to ensure leading services are provided at competitive prices**

- **Strong growth with minimal capital requirements**

- **Momentum building**

Hutchison
Telecoms

Telecommunications operations of
Hutchison Whampoa Limited

HWL

orange™

Hutchison Telecommunications (Australia) Limited

Half-year Results
18 August 2004
Speaking notes accompanying slide presentation

The highlights page on **slide 2** headlines with customer growth -- the fastest growth rates in today's Australian mobile market.

Combining **3** and Orange, we have more than doubled our customer numbers compared to the tally at the end of the corresponding period a year ago.

At June 30 last year, Hutchison had 297,296 mobile customers. At June 30 this year, we had 626,476 – an increase of 110%.

This outstanding growth was achieved with an even greater growth in revenue. In the same period, mobiles revenue jumped 155 per cent, from $115.3 million to $293.9 million.

Strong growth has continued in the early months of the second half of 2004. As of today, we have a total mobile customer base of 691,000.

In the **3** business, we continue to deliver the market's highest average revenue per user, including the highest non-voice data contribution.

The consumer attractions of 3G are becoming increasingly apparent.

Customers are increasingly being drawn to the exciting new services we have introduced. The depth and breadth of our services, and the quality, relevance and ease of use across our content and messaging products has improved significantly -- and will continue to do so over the coming months.

We have also seen ongoing operational strengthening across our network service delivery and customer care, bedding down a robust 3G operation.

In Orange, Phil Wise and his team have had a very strong first half of 2004.

In a 2G post-paid market characterised by slowing or negative growth, Orange stands out as a clear leader, driving customer acquisition and ARPU growth.

In the first half of this year, Orange added almost as many customers as it did for the entire year in 2003.

A determined approach to improving the customer profile delivered increased ARPU – and continued positive operating cash flow.

On **slide 3**, the key financial data show the business is performing to our expectations for this stage of its development.
As predicted our NPAT performance in the first half has tracked in line with the previous six months to the end of December last year, with similar expectations for the second half of this year.

As previously disclosed, our highest losses are expected in the business start-up phase for 3, in 2004. Through 2005, we anticipate an improving profitability trend.

EBITDA for Orange remains positive but is below the previous half as a result of increased marketing and acquisition costs and significant investment in customer retention.

Overall at Hutchison, we are targeting to break through to a positive EBITDA by the end of 2005.

Slide 4 outlines a number of the key drivers you should expect to see coming through over the next 2-3 years as we build towards a profitable mobile operation at Hutchison.

Ongoing revenue growth, through profitable acquisition of customers, is our number one financial driver today across **3** and Orange. We have an ongoing fixed cost base and we will compete as aggressively as necessary to build the required top-line revenue.

This will be supported by incremental revenues, through the ongoing introduction and promotion of innovative non-voice services in **3**. Progressively building customer interest in and usage of **3**'s non-voice offerings is a key operational target over the next 24 months.

In pushing to profitability, revenue growth will be supported by significant improvements in our cost structure in 2005.

We have already negotiated arrangements which will deliver reductions in roaming and termination costs in 2005 and beyond.

The network partnership we have struck with Telstra will also kick-in in 2005, delivering operating cost savings of approximately $40 million a year and lower levels of depreciation and funding costs.

Handset prices have already come down and we can expect them to fall further. An expanding handset range will give us greater financial flexibility to target the most appropriate customer price points.

And we can also expect economies of scale in customer care servicing.

Put simply, we are putting the right building blocks in place on our marketing strategy, proposition and supporting cost structure to deliver a successful mobile business. The resultant path to profitability will become increasingly apparent through 2005.

On **slide 5,** you can see the solid growth in our customer numbers over the past 12 months.

A 39 per cent increase in the second half last year and a 52 per cent increase in the first half this year take us to tallies of 240,000 customers in **3** and 386,000 customers in Orange, as at June 30.

This solid growth has continued since June 30, across both **3** and Orange, with the respective bases standing at 291,000 and 400,000 as of today. We are firmly on track toward our previously stated goal of 1 million customers next financial year – a goal we will press to achieve as early in 2005 as possible.

On **slide 6**, you can clearly see net customer growth for each of the past three half-years.

The first half of 2004 has been a period of record growth, and please note that this is high-quality postpaid growth.

Our experience of July and August to date tells us that we are well positioned to at least deliver a comparable level of growth at Hutchison in the six months to December 31.

We are in a period of heightened competition, which we expect to continue for the rest of the year, but we are confident that the attractiveness of our proposition, and the increasing awareness of 3 services and Orange value will allow us to continue to build market share.

Now, moving to **Slide 7,** a key question raised on Hutchison's prospects in Australia has been around our ability to build market share against slowing mobile market penetration. We believe our results over the past two halves have started to provide an answer….

In the second half of last year, Hutchison had 40 per cent of the net postpaid customer additions among the top four mobile operators.

In the first half this year, the figure climbed to 80 per cent. Hutchison accounted for 215,000 of the 269,000 net postpaid customer additions.

Hutchison's relative competitive performance is further enhanced when its more limited addressable market is taken into account.

While our competitors cover about 95 per cent of the population, Orange has distribution only in Melbourne, Sydney and nearby regional centres; and **3** has distribution to 3G coverage in Sydney, Melbourne, Perth, Adelaide, Brisbane and the Gold Coast. We do not sell outside these areas.

Hutchison's increasing strength in net post-paid market growth is a validation of the differentiated positioning of **3** and Orange.

Both have grown strongly simultaneously, with **3** targeting a younger demographic, attracted to a vibrant brand with market-leading services and Orange targeting a broader demographic focussed on simple value-based voice.

The resultant overlap or cannibalisation of the respective propositions has been negligible… and this has contributed to a strong combined performance.

The growing awareness of Orange value and **3**'s leading handsets and services will reinforce Hutchison's competitive position in the years ahead. We believe new entrants to 3G in 2005 will further boost consumer and business interest in 3G. **3** will simply be the best positioned brand and service in Australia to capitalise on this interest.

Slide 8 further validates the solid progress Orange and **3** are making.

Rapid consumer growth usually means an erosion of average revenue per user as more lower spend customers join a network.

Not so for Orange and **3**.

Both have increased ARPU in the first half of 2004 – Orange from $54 to $57 and 3 from $80 to $85.

Orange has achieved this through an active campaign to increase its attractiveness to higher spending new customers and to encourage existing customers on to more stable minimum spend plans.

At $85, including a $10 non-voice contribution, **3** has the industry's highest ARPU and the highest average contribution from data services.

The data-contribution comparison to Orange, at $3, illustrates the difference between the type of customers being attracted to each brand – and reinforces the outlook for each.

The market-leading data usage contribution for **3** underlines the customer-attracting power of **3**'s market leading multimedia services. Those services are assisting customer acquisition as well as creating new revenues not available in the mature 2G market.

The **3** lead on 3G branding, product and service delivery will continue to be enhanced, this year and next, as we move toward a competitive 3G environment.

Our understanding and experience of packaging, promoting and marketing attractive services will continue to give us an edge well after the competitors begin to arrive.

Slide 9 explains some of the key aspects of improvements to our market proposition in **3** in the past six months.

3's postpaid service offers broadened in May with the introduction of $0 handset and bonus option plans.

This week we launched our prepaid proposition, another key building block in the ongoing strengthening of the **3** service offering which will continue to evolve month by month.

In recent times, we have extended our range of interesting and entertaining multimedia services with leading names such as Big Brother, Playboy, Sky News and our Sony-Warner music video service, to name just a few.

We launched Australia's first multiplayer mobile game last week, and we will soon be introducing a business messaging service which will introduce more national firsts, with enhanced mobile email and business document capabilities not available elsewhere. Our product pipeline from here will continue to deliver ground-breaking and attractive mobile services.

In recent months, our handset range has expanded to seven choices from five manufacturers – NEC, Motorola, Nokia LG, and Sony Ericsson. More new models will appear in the coming months.

We also introduced the **3** NetConnect datacard – setting a new benchmark for price, data speed and ease of use.

The 3G network supporting these devices continues to improve, with more in-licence coverage, and further optimisation bringing the dropped call rate down below 2 per cent of calls.

We also extended our distribution to 500 retail selling points and lifted our number of company **3** stores to 65.

Slide 10 explains the thinking behind our positioning in Orange.

Our aim with Orange is to target fixed-to-mobile substitution, and draw consumer and business customers from our bigger competitors. We do this by offering better consumer value and superior customer service.

Our plans are simple and offer on-net and fixed-line replacement incentives. Our marketing is simple and concise, without fuss and without fanfare.

And our handsets now compete with GSM handsets on size, fashion and function.

Going forward, service enhancements will target proven revenue earning areas including international SMS, ringtones and enhanced internet-delivered information services.

We have now completed a 1X network upgrade to deliver extra capacity and improved performance, supporting continued customer growth.

Now, before concluding, I would like to move to **Slide 11** which addresses the **3** funding position.

Our financial and operational performance in **3** is in line with our business plan.

We started the business with $1 billion in equity contributions from Hutchison and Telecom New Zealand. An additional facility is available to us through Hutchison Whampoa.

Today we announced the signing of a $1.5 billion bank facility with a panel of local and international banks. The facility has a five-year term and has been agreed on favourable terms for **3**.

It is a clear statement of strong support from the participating banks.

To date, we have spent approximately $2 billion on our **3** business, including $1.3 billion on capital expenditure.

Now to **slide 12**

In summary, the Hutchison business is on track and performing well.

We are achieving strong customer and revenue growth and expect to see that trend continue.

Those strong growth results are being achieved within a proven dual-brand strategy which is effectively addressing the mobile market from two angles -- the value oriented Orange proposition and the market-leading high-level service proposition of **3**.

We will continue to exercise tight discipline in capital and operational expenditure to ensure we are able to continue to deliver market-leading services at competitive prices on a low cost base.

In Orange the business is growing well, with minimal capital requirements and with the focus of a small, dedicated team.

In **3** we are quite simply building momentum in all areas – sales, brand awareness, handsets, service offerings and usage and operational performance.

In both businesses, we look forward to the rest of 2004 and into 2005 with a strong sense of purpose and belief that our approach is taking us firmly in the right direction.

ENDS.