Hutchison Telecoms

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Companies Announcements Office

Australian Stock Exchange

Date 15 February 2005

Subject: Annual Results Presentation

Please find attached a copy of the presentation to be made by the Chief Executive Officer, Kevin Russell, to media and analysts this afternoon.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited

2004 Annual Results

For the year ended 31 December 2004

Kevin Russell
Chief Executive Officer
15 February 2005

Hutchison Telecoms

Telecommunications operations of Hutchison Whampoa Limited

2004 Highlights

Hutchison Telecoms

- Mobile base increased to 879,000 customers
- Service revenue more than doubled
- Strong operational performance across the business
- Annual losses within guidance and expected to have peaked

- Industry leading postpaid customer growth
- ARPU significantly above industry averages
- Strong growth trends in non-voice service usage and revenue contribution
- Industry leading 3G network share agreement

orange

- Simple, effective offering delivered solid customer growth
- ARPU continues to strengthen
- Improved profitability and operating cash flows

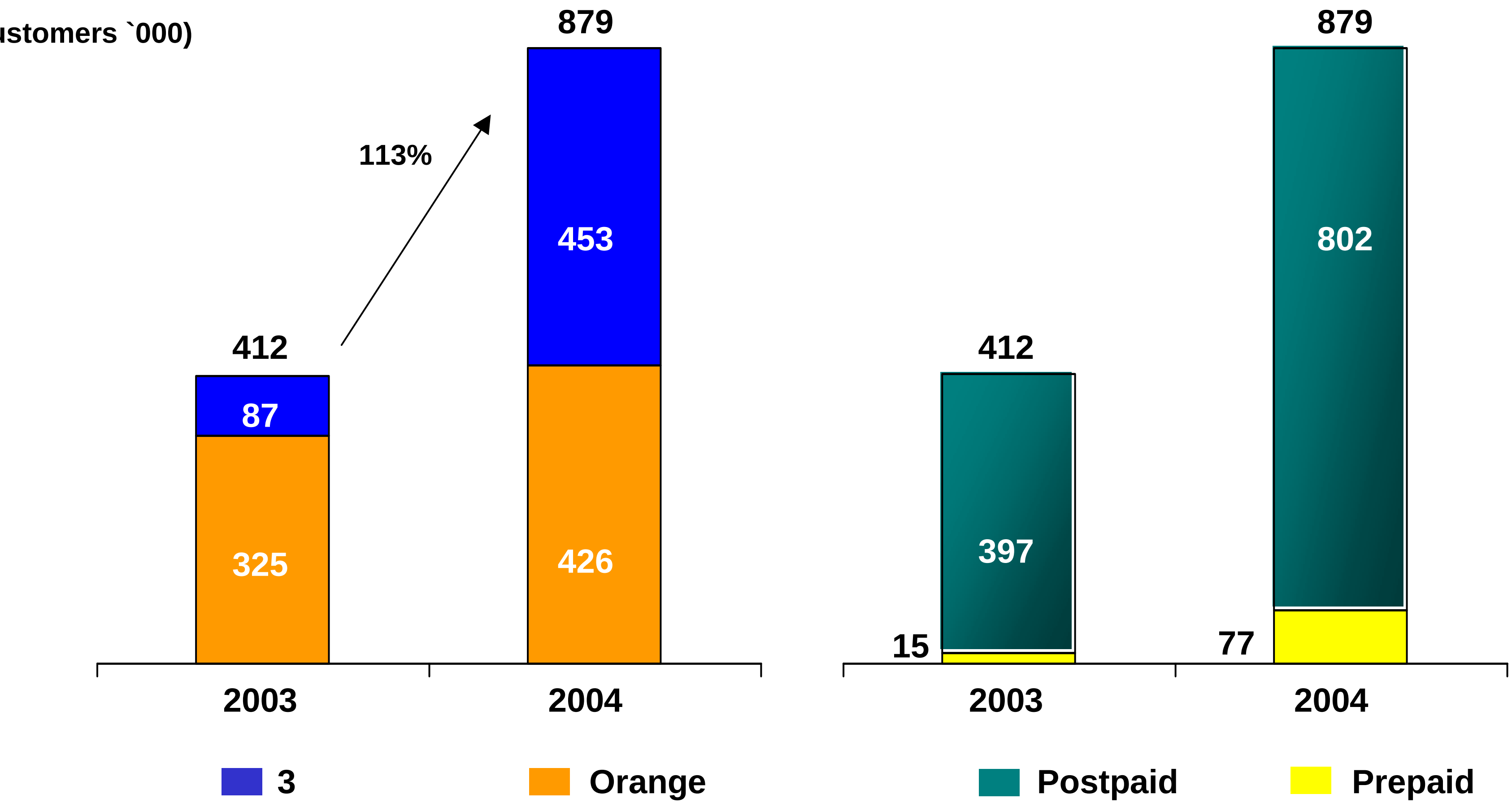
Key Financial Results

$million	2004	2003	Growth
Service Revenue	523.1	240.9	117%
Equipment Revenue	244.8	99.3	147%
Operating Revenue (1)	767.9	340.2	126%
EBITDA (2)	-235.5	-223.4	-5%
NPAT (3)	-552.0	-409.8	-35%
CAPEX (4)	-307.4	-361.9	-15%

1) Operating Revenue excludes interest income and other non-operating revenue
2) EBITDA excludes interest income and includes amortisation of customer acquisition costs
3) NPAT represents net profit after tax attributable to Hutchison Telecommunications (Australia) Limited after outside equity interests
4) CAPEX represents cash spend on capital expenditure

Hutchison Telecoms

Strong Uplift in Mobile Customer Base

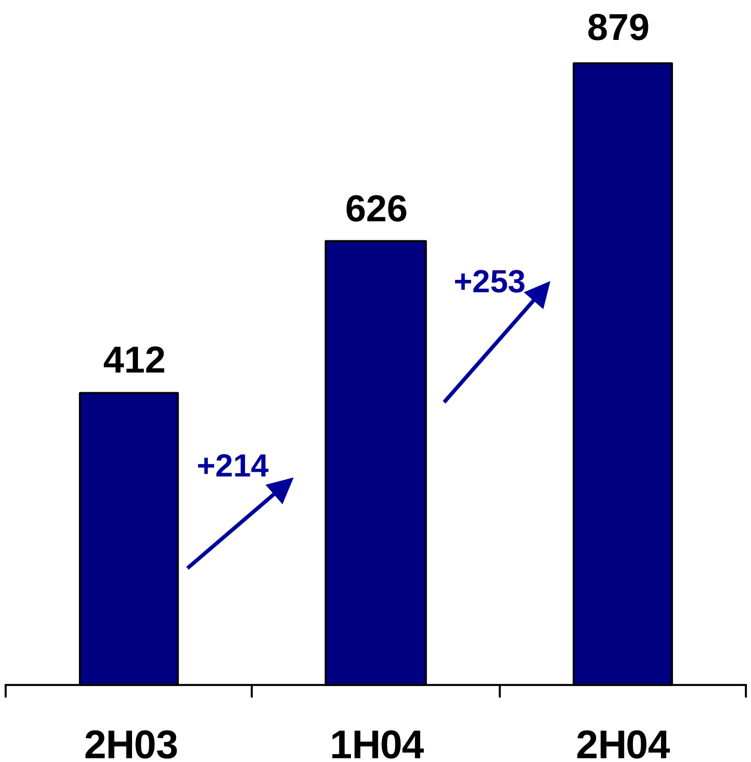


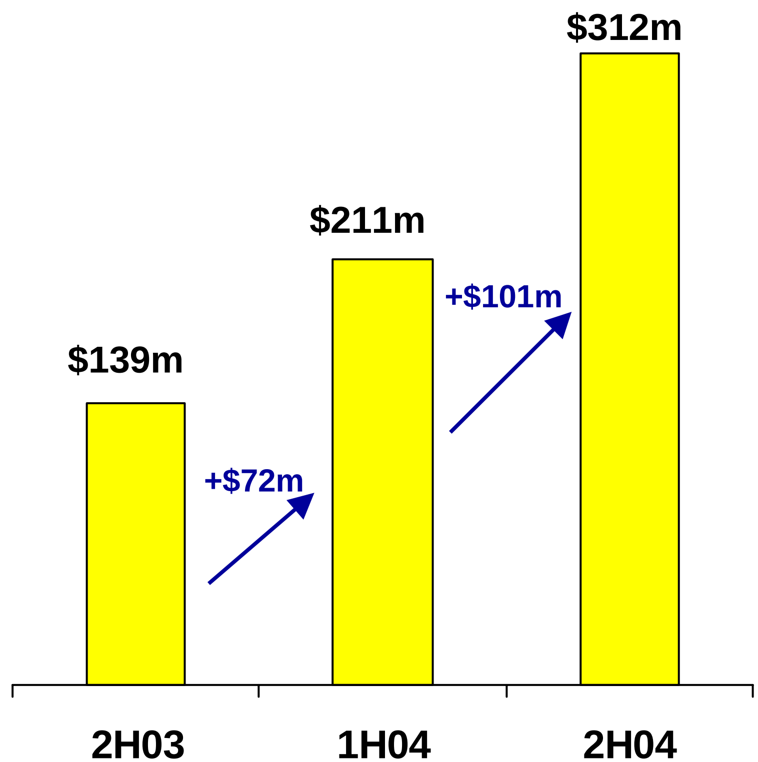
Market leading growth in postpaid customers

Strong Growth Throughout 2004

ustomers `000)

(Service Revenue)

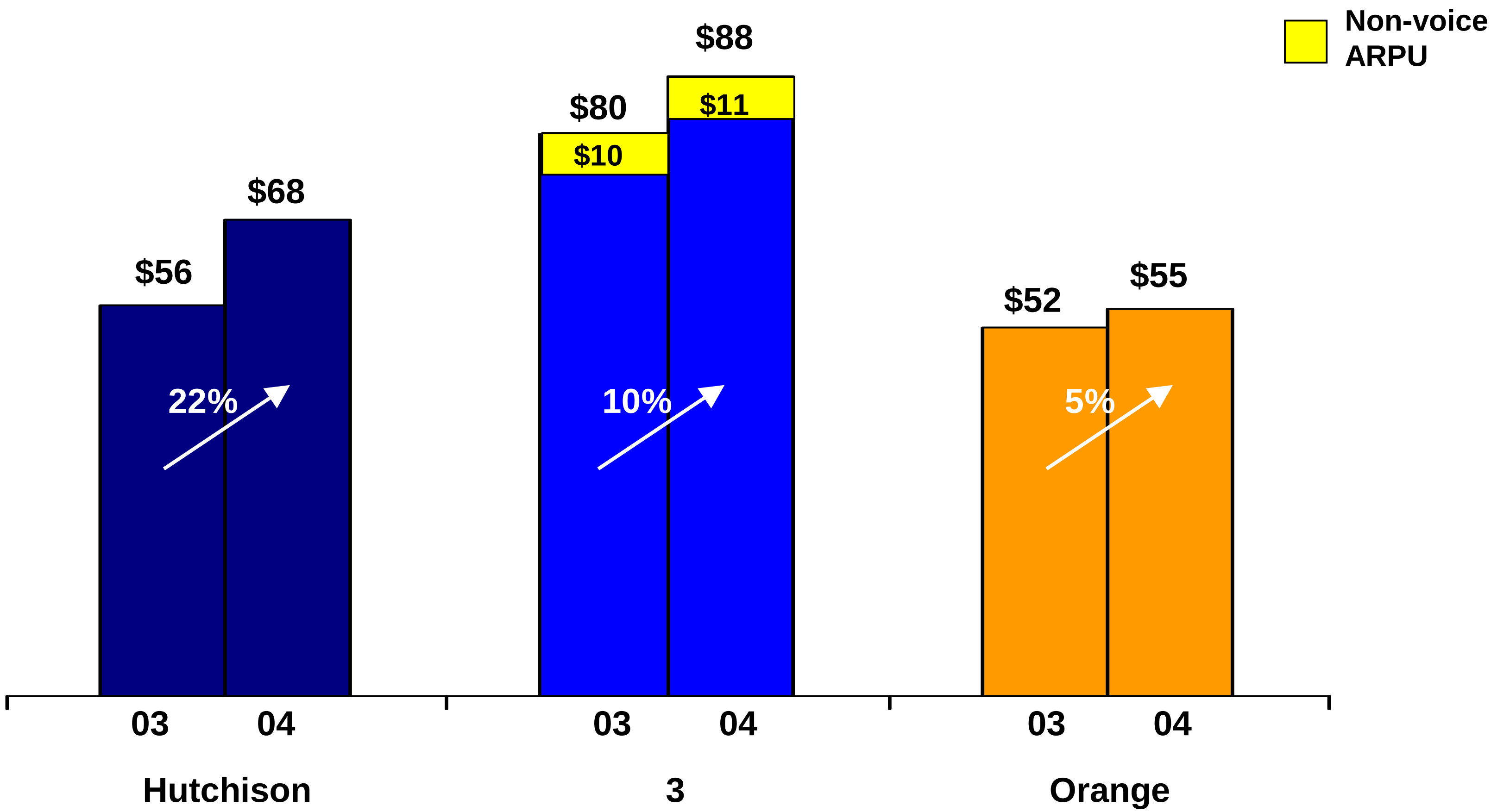




Growth accelerating in face of increasing competition

Hutchison Telecoms

Ongoing Increase in Average Revenue Per User



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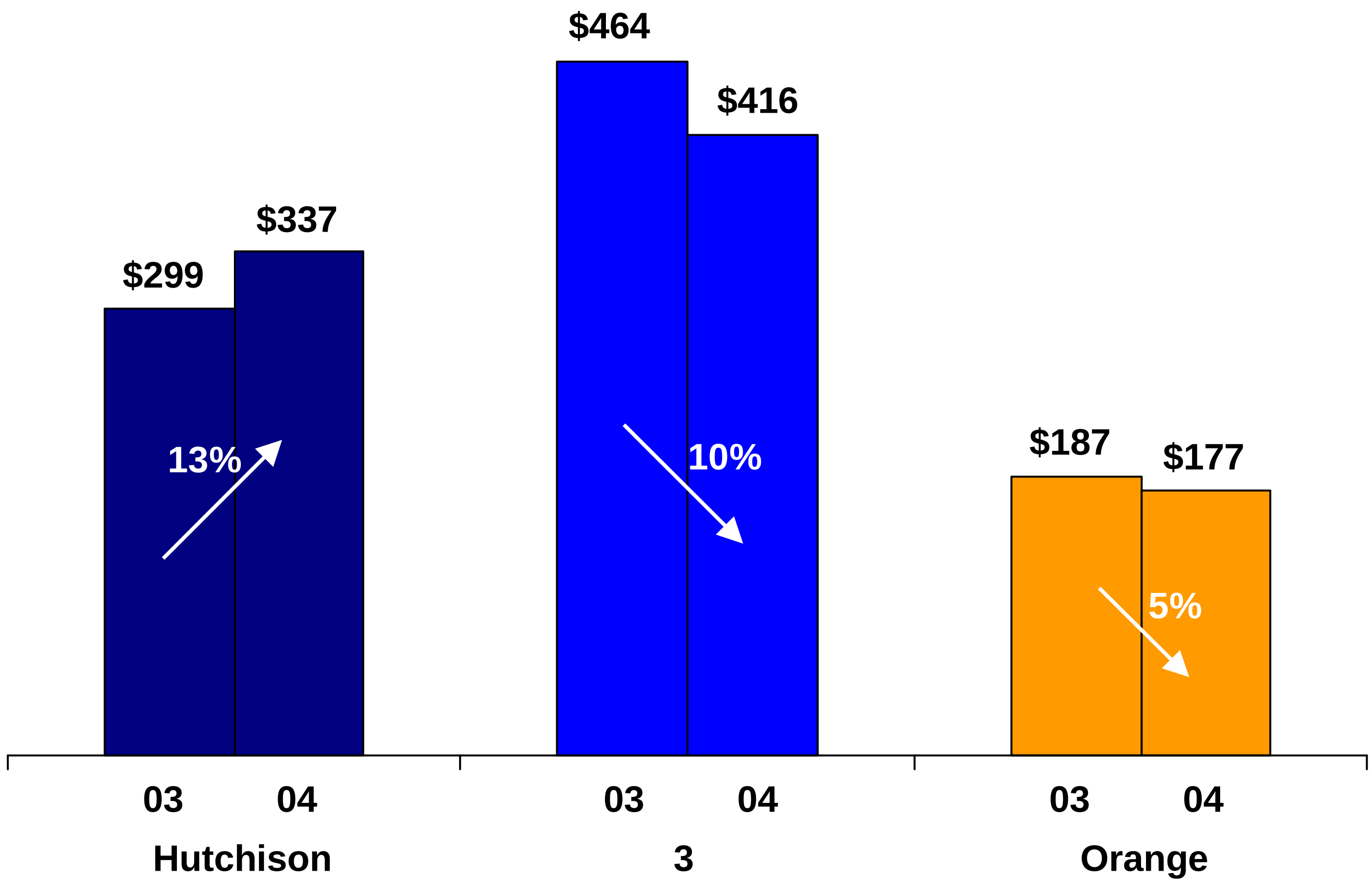
Acquisition Costs Declining in 3 and Orange



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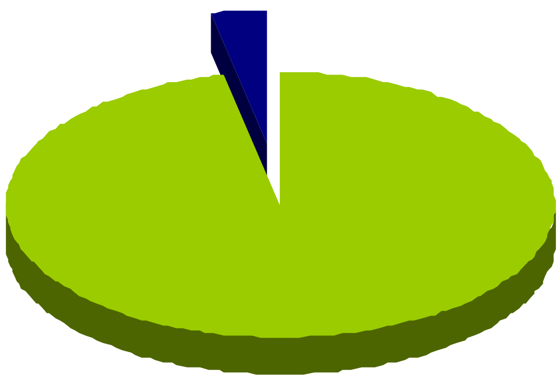
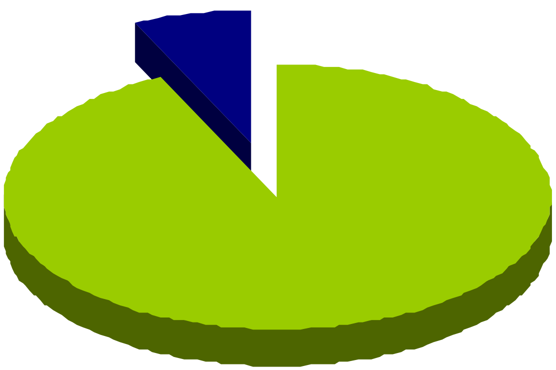
Revenue Market Share Growth

12 months ago



2003

Today



2004

Share of total market service revenue estimated to have doubled in 12 months

Hutchison Telecoms

Source: company reports and internal estimates

Delivering Results With Unmatched Product Offering in 3

- 58% of base actively using 3G services
- 44% of base regularly using content services
- 200,000 content subscription services sold since September 2004
- 7 out of every 10 new postpaid customers subscribe to one or more content products in retail
- Subscription driving strong customer usage of content in the second half
- Non-voice ARPU in December of $15, including $6 of non-SMS revenue

Path to Profitability

- Revenue and margin scale starting to flow through
- 3G network share agreement will deliver ongoing capex and opex savings versus a stand alone operation
- New national roaming arrangement for 3 commences mid 2005 with lower tariffs
- Handset costs continuing to decline
- Business strategy aligned with the proposed reductions to terminating access charges

Targetting EBITDA breakeven exiting 2005

3G Network Update

- **Network and system stability**
  - **approx. 1,900 cell sites operational today**
  - **dropped call rate down to 1.3 %**
- **Network share and roaming arrangements ensuring best of class W-CDMA network**
  - **network coverage expansion into Canberra by end 2005**
  - **access to Telstra infrastructure facilitates infill and in-building coverage improvements**
  - **soft call handover solution to be put in place in second half of 2005**
  - **both partners operationally and strategically aligned**

3G network quality will be a key differentiator in 2005

What's in store for 2005?

Hutchison Telecoms

- Continuing to out-perform in revenue and market share growth
- Target to exit 2005 with positive monthly EBITDA

- Capitalising on established market presence, product and network leadership as competitors launch 3G
- Continuing focus on revenue growth
  - non-voice revenue to grow as a proportion of total revenue mix
- Significant ongoing cost improvements

orange

- Complementary service offering to 3
- Significant opportunity in prepaid
- Positive operating cash flows with minimal investment requirements

Hutchison Telecommunications (Australia) Limited
2004 Annual Results

Presentation by Kevin Russell
Chief Executive Officer
15 February 2005

Slide 1

Good afternoon and thank you for joining us.

2004 was a pivotal year for Hutchison Telecoms Australia. In 2003, we launched Australia's first 3G network, branded 3. In 2004 we had to build off that launch to establish traction in customer growth, revenue contribution and resultant market share gains. We wanted to build a leadership position in the provision of new mobile services and position 3 as a credible alternative to the incumbents' established offerings. We wanted to accelerate the migration of fixed line traffic to mobile and we wanted to push the incumbents to accelerate 3G launch plans.

In each of these areas, 2004 has been demonstrably successful and Hutchison Telecoms enters 2005 in a very exciting position.

Slide 2

Just to briefly overview some key highlights from 2004.

The overall Hutchison mobile base grew by 113% to 879,000 – well on track to move past a million customers during 2005.

Growth in service revenue was similarly strong at 117%, actually higher than our customer growth rate, a unique result in today's mobile market.

Operationally, both 3 and Orange have strengthened, with 3's network performance a standout improvement.

Hutchison's total loss for the year of $552 million is significant but is consistent with previous guidance and we believe represents a peak in annual losses.

In 3, we have led the Australian market in postpaid customer growth, and we are delivering ARPUs well above our competitors' averages.

Our ARPU levels are driven by plans which stimulate voice usage and increasingly also by strong trends in 3 customers' usage of non-voice services.

3's network sharing deal with Telstra was a significant strategic milestone. It delivers a $447 million capital injection, provides significant ongoing capex and operating cost savings, but just as importantly it secures 3's long term leadership in Australia in 3G network quality and breadth of coverage.

For Orange, 2004 saw excellent customer growth, particularly in an environment of increasing competition. Orange ARPU continued to strengthen, and it has delivered a 45% increase in EBITDA contribution.

Now to the summary of the financial results on slide 3.

Slide 3

2004 was a key growth year and we see that through the summary of profit and loss measures and capex spend.

Our overall operating revenue jumped 126% to $768 million, driven both by service revenue climbing to $523 million from $241 million and by equipment revenue from handset sales which contributed $245 million up from $99 million last year.

Our EBITDA loss grew by 5% compared to 2003. This increase reflected a part year of operation in the 3 business in 2003 and growth costs associated with the rapid expansion of the 3 customer base. However, this trend will reverse in 2005 as increasing revenue contribution from our growing customer base offsets our fixed operating costs and further growth costs. We remain confident that we can exit 2005 in a sustainable EBITDA positive position after expensing the full cost of customer acquisition.

At NPAT level, we believe that annual losses have now peaked in 2004 at $552 million. The key drivers of the increase from 2003 were increased depreciation and amortisation in 3 compared to a part-year of operation in 2003, and increased acquisition and borrowing costs funding the drive for customer growth.

The overall results include a $40 million profit realised from the part disposal of the 3G radio access network to Telstra in December and are consistent with guidance given at our interim results announcement in August. Underlying losses are anticipated to trend downward in 2005.

In the first half of 2005, the resultant benefits will be impacted by a mandated change of the industry's accounting treatment for capitalisation of subscriber acquisition costs. Losses, therefore, for the first half of 2005 are expected to continue at levels consistent with each of the previous two halves before trending down markedly in the second half.

Total capex for 2004 fell to $307 million, down from $362 million in 2003. It is expected to be maintained at 2004 levels this year, including the planned 3G expansion into Canberra and other coverage enhancements. The network share agreement signed with Telstra late in 2004 will deliver significant savings for future network expansion capex and operating expenditure compared to a stand-alone operation. Please note that these are gross capex numbers and do not reflect the $447 million injection from Telstra.

Slide 4

As stated, 2004 was a critical year for Hutchison to gain strong customer growth traction.

As disclosed earlier, our total base has more than doubled, growing by 467,000 or 113% over the 12 month period, to close at 879,000.

The growth has been driven primarily by 3 where the base has grown fourfold in the space of just 12 months. Orange's outstanding growth of 101,000 was an endorsement of the simplicity of its clear value-based voice-centric proposition.

Approximately 87% of our growth this year was driven by quality postpaid customers, the majority of whom are believed to have joined Hutchison from existing operators. This dominant postpaid mix is at odds with the trends demonstrated by the industry. The explanation is simple. Our competitors are targetting a 2G market where growth is driven by prepaid. Hutchison's growth is dominated by 3 and, therefore, 3G. The 3G market has just started and will grow exponentially over the coming years, driven primarily by high-value migrating postpaid customers from 2G. 3's acquisition focus is clearly aligned to the most valuable segment of Australia's mobile market.

Customer growth has continued solidly in the first weeks of 2005 and we anticipate that Hutchison will cross over the 1 million customer threshold in the second quarter of the year.

Slide 5

The second half of 2004 has seen a significant escalation in the level of competition in the Australian mobile market. This is best signalled by the entry into capped plans by the three incumbent carriers, following Hutchison's lead, and the ramp-up in marketing activity.

It is interesting to note that Hutchison's growth rates during this period have continued strongly. Customer adds have increased in the second half to 253,000 and service revenue climbed by $101 million.

The 3 business has real underlying growth momentum and we believe that it is increasingly well positioned to withstand competitor activity. We are confident that 3's postpaid customer growth will continue strongly in 2005. 3's positioning on prepaid will remain at the premium end in 2005.

In Orange we anticipate a significant proportion of future acquisition mix being driven by prepaid, consistent with the overall 2G market direction. Orange launched its new prepaid offering earlier this month and this will spearhead Hutchison's attack on mass market prepaid.

Slide 6

In 3 and Orange, our ARPU levels have climbed markedly year on year.

3's quality postpaid customer strategy has driven a market leading ARPU level of $88 for 2004, up 10% on the comparable statistic from last year. The increase has been primarily driven by voice usage, supported by capped plans. Going forward into 2005, we do expect voice ARPU levels in 3 to soften as we broaden the customer base, but to remain at industry leading levels.

Non-voice ARPU increased to $11 during the year, however, as we will explain later, the underlying trend is significantly stronger.

Orange ARPU has grown to $55, good solid growth, again driven primarily by voice usage. We expect the Orange ARPU to initially improve slightly in 2005 off the back of quality acquisition in 2004, however, this will be diluted throughout the course of 2005 as prepaid becomes an increasing part of the mix.

The strong growth towards a 3 dominated customer mix has resulted in Hutchison's blended ARPU climbing a very significant 22% year on year to reach $68.

Slide 7

While ARPUs are climbing across 3 and Orange, encouragingly, subscriber acquisition costs have trended down across both brands.

The 10% reduction in 3 is driven by falling handset prices, an important cost trend which we expect to continue through 2005.

Orange acquisition costs are expected to be maintained at a similar level moving into 2005 but will reduce as the mix of prepaid customers start to dominate the acquisition profile. The greater availability of competitively priced CDMA handsets is now allowing us to actively compete in this part of the market with a sensible entry cost.

Overall Hutchison acquisition costs per customer have climbed due to the higher proportion of overall sales driven by 3 in 2004.

As I said in my introduction, 2004 was a pivotal year for Hutchison to establish real momentum in gaining share in Australia's mobile market.

Slide 8

This slide presents our best estimates of an objective measurement of that progress.

We are focussed, first and foremost, on revenue growth. Historically, customer numbers have been a proxy for market share, but in a slowing 2G market where customers may own two or more services, customer numbers alone do not reveal the true underlying growth trends.

Today, at Hutchison, we estimate we capture approximately 7% of the service revenue in Australia. We estimate that market share has doubled over the past 12 months.

It is now a significant share. And as importantly, the rate of growth represents a significant underlying trend. Hutchison's primary focus in 2005 is to continue this momentum in revenue share gains, primarily driven by 3.

As I said in discussing ARPU, our revenue trends have also seen some notable changes in 3's non-voice usage and revenue. Some context to this is outlined on slide 9.

Slide 9

In August, we predicted that 3's non-voice service usage and revenue would start to trend upwards progressively through 2005, as customer familiarity increased. Very interestingly, we have already seen some marked changes coming through, during the last quarter of 2004.

Today, 58% of 3's customer base is actively accessing non-voice services, not including SMS, which has a higher penetration rate. 44% are using content services through 3's portal. We believe the key to increasing usage has been the combination of product improvements and, significantly, 3's initiatives on pricing and promotions.

In September, we launched a number of attractively priced subscription packages. Five months later, over 200,000 subscription packs have been signed up by 3's customer base. Approximately 7 out of 10 postpaid customers joining through our retail stores now sign up for a content subscription. This is a significant change in customer behaviour.

The subscriptions are clearly driving increased customer usage which has resulted in non-voice ARPU in 3 climbing to $15 in December - a significant uplift on the $11 average for 2004 I mentioned earlier.

Approximately 40%, or $6, of this non-voice ARPU is driven by non-SMS services, a very exciting and encouraging trend.

Slide 10

While market share gains, and 3's non-voice revenue trends are key through 2005, we are also clearly focused on demonstrating Hutchison's path to profitability.

Our primary target in 2005 is for Hutchison Telecom Australia to exit the year in an ongoing sustainable monthly EBITDA positive position, after fully expensing customer acquisition costs.

The key factors driving this improved performance are as follows:

Scale benefits to revenue and margin from the increased customer base will flow through, along with improving contributions from 3's non-voice services.

On the cost side, our network sharing agreement with Telstra initially halves operating costs for our radio access network with effect from January 1 this year. From April, we are also implementing our new GSM roaming arrangement with Telstra which will provide improved 2G coverage to 3 customers at a markedly lower cost.

Significantly, we also project that handset costs will fall progressively through 2005. Hutchison Whampoa's global procurement initiatives are providing 3 with both early access to market leading 3G handsets and significant cost savings.

Finally, we do not expect the reduction in terminating rates, effective 1 January this year, will have any negative impact on our margins. Our rate plans and customer voice usage patterns were positioned at the launch of 3 to cover this inevitable change.

Before closing, I would just like to take you to slide 11….

Slide 11

… and talk a little about our view on the strategic importance of our W-CDMA network in 2005.

We believe strongly that last year's network sharing agreement with Telstra positions 3 very strongly for the introduction of 3G competition in 2005.

Today, 3 has approximately 1900 cell sites operational across our five metro networks. Within 2 months, this number will have climbed to over 2050. Our coverage is strong and our dropped call rate averages only 1.3%, very close to mature GSM networks.

Going forward, in 2005 we will launch in Canberra and commit with Telstra to expand into a number of new coverage areas. Details will be released in due course.

The Hutchison / Telstra joint venture also will continue to strengthen the existing coverage through ongoing infill and access to a number of Telstra's inbuilding solutions for CBD areas.

We expect to launch soft call handover for customers roaming onto Telstra's GSM network in the second half of 2005, further improving overall customer experience.

In the initial weeks of developing this joint venture, it is very clear that Hutchison and Telstra are strategically and operationally aligned for the development of the radio access network. At Hutchison we believe that the depth, breadth and maturity of our network infrastructure will be a key differentiator for 3 against Optus and Vodafone for a number of years to come. Against Telstra, the landscape is level in terms of network, but our brand, product and, critically, overall go-to-market direction leave us very confident in continuing our leadership in 3G market share.

Now to summarise on the last slide …

Slide 12

… what we believe will be in store in 2005.

Hutchison's primary focus will be to continue to out-perform our competitors in revenue and market share growth. 2004 has clearly given us a strong platform in growth momentum.

We are targetting to exit 2005 in a sustainable positive EBITDA position, after fully expensing customer acquisition costs. This would clearly be a significant profitability milestone to deliver.

In 3, we will focus on:

- firstly, capitalising on our brand, product and network leadership as our competitors launch 3G. We believe that their launches will stimulate and accelerate 3G market growth significantly and we are positioning for that opportunity.

- secondly, continuing the exciting trends on non-voice service growth demonstrated in recent months, and

- thirdly, delivering on the path to profitability.

In Orange, you will see the market proposition become increasingly complementary to 3, with an increased emphasis on mass market prepaid. With other operators maintaining high call charges in prepaid, we see significant opportunity for Orange with the market leading 9c per 30 seconds offer launched a fortnight ago.

And finally, Orange will continue to focus on operating cash flow, with minimal capital expenditure, as appropriate in a maturing 2G market environment.

It will be an interesting year.

I would now like to open up for Q&A.

- Ends -