Hutchison Telecommunications
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Companies Announcements Office

Australian Securities Exchange

Date 24 February 2011

Subject: Preliminary Final 2010 Annual Results

Please find attached the Company's results for the year to 31 December 2010 in the form of Appendix 4E.

The Annual General Meeting of the Company will be held at 10 am on 4 May 2011.

Yours faithfully

Louise Sexton
Company Secretary

Hutchison Telecommunications (Australia) Limited ABN 15 003 677 227

ASX Preliminary Final Report – 31 December 2010

Lodged with the ASX under Listing Rule 4.3A.

This information should be read in conjunction with the 2010 Annual Report.

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Hutchison Telecommunications (Australia) Limited
Year ended 31 December 2010
(Previous corresponding year:
Year ended 31 December 2009)

Results for Announcement to the Market

Hutchison Telecommunications (Australia) Limited ("HTAL") reports a $73.4 million profit for the year to 31 December 2010, an underlying $193.0 million improvement year on year excluding HTAL's $587.3 gain on the disposal of its 50% interest in H3GA included in the 2009 results.

				$'000
Revenue from ordinary activities *(Appendix 4E item 2.1)*	Down	97.2%	to	22,343
Profit from ordinary activities after tax attributable to members excluding gain on disposal of 50% interest in H3GA included in the 2009 results.	Up	161.4%	to	73,442
Profit from ordinary activities after tax attributable to members *(Appendix 4E item 2.2)*	Down	84.3%	to	73,442
Net profit for the year attributable to members *(Appendix 4E item 2.3)*	Down	84.3%	to	73,442

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

Record date for determining entitlements to the interim dividend N/A

(Appendix 4E item 2.5) N/A

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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 2009 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*.

Preliminary Final Report – 31 December 2010

Review of Hutchison Telecommunication (Australia) Limited's results

Hutchison Telecommunications (Australia) Limited ("HTAL") reports a $73.4 million profit for the year to 31 December 2010, a $193.0 million improvement year on year, excluding HTAL's gain on disposal arising from the merger in 2009. In 2009 HTAL reported a profit of $467.7 million. This included a profit on the disposal of its 50% interest in H3GA of $587.3 million, therefore the underlying net loss before gain on merger for 2009 was $119.6 million.

Since the merger of HTAL's operating subsidiary, Hutchison 3G Australia Pty Ltd ("H3GA") and Vodafone Australia Limited ("VAL") in June 2009, HTAL has accounted for its investment in Vodafone Hutchison Australia Pty Ltd ("VHA") as an equity investment. Under this method, revenue from VHA's ordinary activities following the merger is not included in HTAL's consolidated revenues from ordinary activities. All revenue of VHA following the merger is included in calculating the "share of net profits/(losses) of joint venture partnership accounted for using the equity method" in HTAL's Statement of Comprehensive Income.

The HTAL results for the year ended 31 December 2010 represent 12 months of equity accounted results for VHA, whilst those for the year ended 31 December 2009 represent 5 months of the former H3GA '**3**' business and 7 months of an equity accounted result for VHA. Comparative figures for the period ending 31 December 2009 are as previously reported, being those of HTAL which includes 5 months of the former H3GA **'3'** business and 7 months of the 50% share of the VHA attributable to HTAL.

No dividend was declared or paid during the year.

Review of VHA's operating performance attributable to HTAL[1]

This section outlines the operating performance of VHA attributable to HTAL. References to VHA's financial results reflect the 50% share of VHA attributable to HTAL. References to customer metrics reflect the total customer base of VHA.

In the 12 months to December 2010, VHA's customer base grew strongly with 681,000 customers added in the year. The customer base at 31 December 2010 was 7.58 million, an increase of 10%. Growth in postpaid customers has continued to be strong, with 59.4% of customers on postpaid plans at 31 December 2010, up 2.6% for the year.

Total VHA revenue attributable to HTAL was $2,410.9 million, an increase of 18.2% for the year. Service revenue grew by 16.8% to $2,201.4 million, with operating margin up 22% reflecting lower domestic roaming costs through the utilisation of VHA's network assets and growth in non-voice revenue. ARPU for the year was $54.02, down $1.80 due predominately to the change in customer base mix towards prepaid as a result of the merger. ARPU has improved slightly from June 2010 driven by increased data ARPUs, with voice and SMS ARPU holding steady.

HTAL's share of VHA revenue from non-voice services increased by 28.1% to $867.4 million, driven by the increased penetration of smartphones, including the iPhone, and associated growth in data usage on handsets. Customers using data on handsets tripled in the year to 2.1 million. The number of customers using 3G services was over 3.0 million at 31 December 2010, including mobile broadband customers accessing the network through USB dongles and Pocket Wifi. Non-voice services ARPU grew by $1.26 to $21.74 and 40.3% of ARPU now comes from non-voice services, up from 36.7% at 31 December 2009.

HTAL's share of VHA EBITDA improved 171.6% year on year to $475.8 million driven by margin growth and reduction in operating costs through realisation of integration savings. EBITDA as a percentage of service revenue is 21.6%, up from 9.3% in 2009.

HTAL's share of VHA capital expenditure increased by $65.3 million to $301.5 million reflecting increased investment in the network and expenditure on integration projects.

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1 **Customers** reflects VHA's active services in operation at the end of the reporting period – including wholesale customers (MVNOs).
Service revenue excludes revenue from sales of handsets, interest income and other income.
Non-voice services revenue is revenue from SMS, Planet 3, Vodafone Central, other content services and internet and data access.
ARPU represents rolling 12 month average service revenue per user per month at the end of the period across pre and post-paid customers.

Review of VHA Operating Performance[2]	2010[3]	2009[4]	Y/Y change
The items below represent the 50% share of VHA attributable to HTAL			
Total revenue ($m)	2,410.9	2,040.1	18.2%
Service revenue ($m)	2,201.4	1,884.5	16.8%
Operating Margin	1,690.6	1,386.1	22.0%
EBITDAR ($m)	501.2	227.8	120.0%
EBITDA ($m)	475.8	175.2	171.6%
Capital expenditure ($m)	301.5	236.2	27.6%
The items below represent totals for VHA			
Operating margin as a % of Service Revenue	76.8%	73.6%	3.2%
Operating expenditure as % of Service Revenue	56.0%	62.9%	(6.9%)
Capital expenditure as % of Service Revenue	13.7%	12.5%	1.2%
Customer acquisition cost per unit	$145	$165	(12.1%)
Mobile customers ('000)	7,576	6,895	9.9%
- 3G services - mobile broadband ('000)	855	673	27.0%
- 3G services - handset ('000)	2,149	717	199.7%
Customer growth ('000)	681	4,859	n/a
Net customer growth ('000)	681	890	(23.5%)
Post-paid %	59.4%	56.8%	2.6%
Pre-paid %	40.6%	43.2%	(2.6%)
ARPU	$54.02	$55.82	(3.2%)
ARPU voice	$32.28	$35.34	(8.7%)
ARPU non-voice	$21.74	$20.48	6.2%
– Non-voice, non-SMS	$11.65	$10.42	11.8%
– SMS	$10.09	$10.06	0.3%

2 **EBITDA** represents service revenue less interconnect cost and running operating expenditure plus capitalised incremental direct acquisition and retention costs in accordance with AIFRS. Interest income has been reclassified to finance cost.
EBITDAR represents EBITDA excluding one off restructuring costs associated with the merger.
Capital expenditure represents share of capital expenditure in the period for the 3G network joint venture with Telstra.
Customer acquisition cost per unit represents the average direct costs, including commissions, promotional credits and handset subsidies associated with acquiring each new customer for the period.
3G services – mobile broadband includes mobile broadband cards, USB modems, Netconnect Cards and embedded broadband sims.
3G services – handset includes customers with billed 3G services on handset.
Net customer growth is the underlying customer growth and therefore excludes the customers acquired as part of the H3GA merger.
Operating margin is Service revenue less interconnect and variable content costs.
Operating expenditure includes other direct costs of provision of telecommunication services, employee benefits expense, advertising and promotion expenses, net of other income and share of profits of jointly controlled entities and partnership accounted for using the equity method (3GIS) and excludes one off restructuring costs associated with the merger.
Post-paid and pre-paid % bases exclude MVNO customers

3 The results to 31 December 2010 represents 12 months of the 50% share of VHA attributable to HTAL.

4 The results to 31 December 2009 represents 5 months of the former H3GA **'3'** business and 7 months of the 50% share of VHA attributable to HTAL.

Profitable Growth

HTAL saw improvements in VHA's key financial results for 2010, driven by customer growth, strong revenue generation, margin improvement and realisation of integration savings.

HTAL's share of VHA service revenue grew by $316.9m for the year, driven by strong growth in customers and increased data usage both on smartphone handsets and mobile broadband devices.

The VHA customer base increased from 6.90 million customers at 31 December 2009 to 7.58 million customers at 31 December 2010. Handset customers grew from 6.22 million at 31 December 2009 to 6.72 million customers at 31 December 2010. 2.15 million customers are now using data services on handsets. Mobile broadband customers increased by 182,000 in the year to 855,000.

Operating margin as a percentage of service revenue increased from 73.6% to 76.8%. HTAL's share of VHA's average monthly operating margin for 2010 was $140.9 million against an average of $115.5 million per month in 2009.

VHA's customer acquisition costs per unit reduced from $165 in 2009 to $145 in 2010, partly reflecting the change in acquisition mix from postpaid to prepaid following the merger. Postpaid subsidies remained high through 2010 with the launch of the Apple iPhone 4 in July 2010 and a range of Android devices in the second half of 2010. A large majority of postpaid handset sales are now on smartphone devices. Smartphones are also now growing as a share of the prepaid base with smartphone devices available from $119.

HTAL's share of VHA's operating expenditure increased by 4.1% to $1,233.4 million. Operating expenditure as a percentage of service revenue was 56.0% in 2010 down from 62.9% for 2009. Operating expenditure per customer has also fallen to $371 for 2010, from $443 in 2009. The reduction in operating costs was driven by the realisation of integration savings including the rationalisation of the retail store footprint, consolidation of customer service centres, renegotiation of supplier agreements and the full year benefit of corporate restructuring.

HTAL's share of VHA's EBITDAR, which excludes one off costs associated with the merger, increased by 120.0% to $501.2 million. EBITDAR margin was 22.8%, up from 12.1% in 2009.

In June 2010, VHA completed a $3 billion refinancing through a syndicate of 12 domestic and international banks. The refinancing package is for a three-year period and has been used to repay VHA shareholder loans.

Capital Expenditure

HTAL's share of VHA capital expenditure in the year increased 27.6% to $301.5 million, driven by investments in network improvements and integration projects. Over 50% of 2010 capital expenditure was invested in improvements to the Vodafone network including:

- The commencement of the rollout of a new 3G 850 Mhz network.
- The start of a program to consolidate and upgrade the core voice and data network.
- The first stages of an ongoing upgrade to transmission services including the migration to IP enabled transmission.

Additional capital expenditure on integration included the consolidation of retail and corporate IT systems, the delivery of increased functionality on target IT systems, the integration of '**3**' and Vodafone 3G services platforms, and consolidation of head and state offices.

VHA Outlook

VHA delivered strong revenue growth and improvements in margin and EBITDA in 2010. In 2011 VHA's focus will be to continue to grow service revenue and profitability. VHA achieved the merger integration savings that were targeted at the start of 2010, and remains focussed on ongoing cost control to ensure the full year benefit of these savings is delivered in 2011.

VHA expects the aggressive price-based competition that emerged in 2010 to continue in 2011 and for VHA to maintain its value leadership across all categories. In the face of sustained market pressure on ARPU, VHA will continue to innovate in the prepaid and postpaid markets, managing costs to ensure the benefits of the merger are maintained for customers through affordable handsets, devices and plans.

VHA remains focussed on continued revenue growth, and improving profitability through the ongoing control of costs, including acquisition costs. In 2010, VHA's EBITDA as a percentage of service revenue was 21.6%, up from 9.3% in 2009, while our major competitors experienced a decline in their profitability as measured by this key performance metric.

VHA acknowledges that recent network issues disrupted services for some customers and this led to increased demand on VHA's customer service resources. VHA has taken corrective action to restore current network performance and increase customer service capabilities, while also accelerating plans to deliver longer term network improvement.

VHA plans to spend in excess of $450 million in capital expenditure to further improve network performance in 2011. On 22 February 2011, VHA announced the acceleration of a range of network improvement plans. Over the next 12 months 2,500 sites will be upgraded or added to the network. VHA is continuing with the construction of its new 850 MHz 3G network overlay which will improve coverage, data capacity and speeds for Vodafone customers. More than 380 new 850 MHz sites are already in service in metropolitan areas. By the end of 2011, VHA will have rolled out 850 MHz 3G on a total of 1,500 sites across metropolitan and regional areas of Australia. Over the next 2 years, VHA will also incorporate 1,400 new sites into the existing Vodafone network, including sites that are already available to VHA following the agreement to conclude the 3GIS network joint-venture. During 2011, VHA will also make significant investments to improve the in-building coverage experience for its customers.

VHA will continue to upgrade transmission in 2011 with the rollout of dark fibre, microwave radio upgrades and migration to IP-enabled transmission services. Under a newly-announced radio access network equipment deal with Huawei, VHA will replace all 2G and 3G equipment at all network sites throughout Australia as part of its plan to improve mobile coverage and download speeds, while providing a very straightforward and flexible upgrade path to Long Term Evolution ("LTE") network technology.

VHA's focus on business integration will continue in 2011, including:

- Continued retail footprint optimisation and completion of store upgrades
- Network integration and enhancement
- Consolidation of IT managed services
- Ongoing IT systems integration and decommissioning of legacy systems
- Continued cost reduction through vendor negotiation and competitive tender

A number of significant government policy issues will be resolved or progressed in 2011. VHA is encouraged by the progress on establishing the National Broadband Network ("NBN") and looks forward to confirmation of access to transmission services to VHA network sites. The NBN also presents an opportunity, under the right conditions, for VHA to provide fixed line services, and VHA has indicated its interest in participating in upcoming trials with NBN Co. Renewal of existing spectrum licences is a significant unknown cost and completing the renewal process is a key focus. VHA will be actively engaged in the review of terminating access rates by the Australian Competition and Consumer Commission during 2011. VHA has been participating in the Australian Communications and Media Authority's Reconnecting the Customer initiative, and looks forward to this enquiry producing constructive outcomes for customer service.

HTAL is pleased with VHA's performance and continued growth in service revenues and profitability. HTAL expects VHA to remain profitable in 2011, continue to generate positive free cash flows, and remain on track to achieve merger synergies with a net present value of $2 billion.

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2010

	2010 $'000	2009[5] $'000
Revenue	**22,343**	799,410
Gain on disposal arising from merger	**-**	587,285
Other income	**-**	1,866
Cost of interconnection and variable content costs	**-**	(216,863)
Other direct costs of provision of telecommunication services and goods	**-**	(150,071)
Cost of handsets sold	**-**	(185,510)
Employee benefits expense	**(480)**	(57,252)
Advertising and promotion expenses	**(121)**	(22,870)
Other operating expenses	**(872)**	(56,261)
Capitalisation of customer acquisition and retention costs	**-**	20,055
Depreciation and amortisation expense	**-**	(110,317)
Finance costs	**(111)**	(393)
Share of net profits / (losses) of joint ventures accounted for using the equity method	**43,103**	(141,355)
Profit before income tax	**63,862**	467,724
Income tax credit	**9,580**	-
Profit for the year	**73,442**	467,724
Other comprehensive income		
Changes in the fair value of cash flow hedges (share of joint venture), net of tax	**4,207**	(990)
Other comprehensive income for the year, net of tax	**4,207**	(990)
Total comprehensive income for the year attributable to members of Hutchison Telecommunications (Australia) Limited	**77,649**	466,734

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

5 The results to 31 December 2009 include the consolidated results of VHA (previously known as H3GA) for 5 months until merger date and 7 months equity accounting results for VHA post merger

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Financial Position
As at 31 December 2010

	2010 $'000	2009 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	**5,317**	2,858
Trade and other receivables	**3,693**	64,233
Other	**163**	163
Total Current Assets	**9,173**	67,254
Non-Current Assets		
Receivables	**74,870**	50,332
Investment accounted for using the equity method	**1,600,961**	1,553,651
Deferred tax assets	**9,580**	-
Total Non-Current Assets	**1,685,411**	1,603,983
Total Assets	**1,694,584**	1,671,237
LIABILITIES		
Current Liabilities		
Payables	**23,677**	8,805
Other financial liabilities	**217,838**	286,954
Total Current Liabilities	**241,515**	295,759
Total Liabilities	**241,515**	295,759
Net Assets	**1,453,069**	1,375,478
EQUITY		
Contributed equity	**4,204,488**	4,204,488
Reserves	**74,990**	70,841
Accumulated losses	**(2,826,409)**	(2,899,851)
Total Equity	**1,453,069**	1,375,478

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

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Changes in Equity
As at 31 December 2010

	Attributable to members of Hutchison Telecommunications (Australia) Limited					
		Reserves				
	Contributed equity	Capital Redemption	Cash flow hedges	Share options	Retained profits/ (losses)	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2009	**4,204,488**	**54,887**	**990**	**15,683**	**(3,367,575)**	**908,473**
Profit for the year	-	-	-	-	467,724	467,724
Changes in the fair value of cash flow hedges, net of tax	-	-	(990)	-	-	(990)
Total comprehensive income / (loss) for the year	**-**	**-**	**(990)**	**-**	**467,724**	**466,734**
Transactions with members in their capacity as members:						
Employee share options - value of employee services	-	-	-	271	-	271
Subtotal	-	-	**-**	**271**	**-**	**271**
Balance at 31 December 2009	**4,204,488**	**54,887**	**-**	**15,954**	**(2,899,851)**	**1,375,478**
Balance at 1 January 2010	**4,204,488**	**54,887**	**-**	**15,954**	**(2,899,851)**	**1,375,478**
Profit for the year	-	-	-	-	73,442	73,442
Share of joint venture's changes in the fair value of cash flow hedges, net of tax	-	-	4,207	-	-	4,207
Total comprehensive income for the year	**-**	**-**	**4,207**	-	**73,442**	**77,649**
Transactions with members in their capacity as members:						
Employee share options - value of employee services	-	-	-	(58)	-	(58)
Subtotal	**-**	**-**	**-**	**(58)**	**-**	**(58)**
Balance at 31 December 2010	**4,204,488**	**54,887**	**4,207**	**15,896**	**(2,826,409)**	**1,453,069**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2010

	2010 $'000	2009[6] $'000
Cash Flows from Operating Activities		
Receipts from customers (inclusive of GST)	**-**	894,146
Payments to suppliers and employees (inclusive of GST)	**(496)**	(1,383,481)
	(496)	(489,335)
Interest received	**861**	56,031
Rental income	**15**	66
Finance costs paid	**(126)**	(393)
Net cash inflows / (outflows) from operating activities	**254**	(433,631)
Cash Flows from Investing Activities		
Payments for property, plant and equipment	**-**	(74,525)
Proceeds from sale of other non-current assets	**-**	105
Proceeds from sale of intangible assets	**-**	86,000
Loans to jointly controlled entities	**-**	(69,186)
Proceeds from jointly controlled entities	**71,321**	1,113,667
Payments for intangible assets	**-**	(19,666)
Net cash inflows from investing activities	**71,321**	1,036,395
Cash Flows from Financing Activities		
Proceeds from borrowings - subsidiary	**-**	124,513
Proceeds from borrowings - related parties	**-**	55,000
Repayment of borrowings - related parties	**(69,116)**	(768,046)
Repayment of finance lease	**-**	(1,327)
Net cash outflows from financing activities	**(69,116)**	(589,860)
Net increase in cash and cash equivalents	**2,459**	12,904
Cash and cash equivalents at 1 January	**2,858**	134,685
Cash disposed of with H3GA merger	**-**	(144,731)
Cash and cash equivalents at 31 December	**5,317**	2,858

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

[6] The cash flows to 31 December 2009 represent 5 months consolidated results of VHA (previously known as H3GA) until merger date and 7 months HTAL parent only cash flows from merger date..

Hutchison Telecommunications (Australia) Limited (the "Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The Consolidated Entity consists of the Company and its subsidiaries made up to 31 December 2010.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

This preliminary financial report has been prepared in accordance with The Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

Statement of compliance

Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial statements and notes of the Consolidated Entity comply with International Financial Reporting Standards ("IFRS").

As a consequence of the financial reporting relief provided by ASIC Class Orders 10/654 and 10/655 the consolidated financial statements are presented without parent entity financial statements.

Going concern disclosures

As at 31 December 2010, the Consolidated Entity has a deficiency of net current assets of $232 million (2009: $229 million). Included in the Consolidated Entity's current liabilities is an amount of $218 million (2009: $287 million) which relates to an interest free financing facility provided from the ultimate parent entity, Hutchison Whampoa Limited ("HWL"), which is repayable on demand. HWL has confirmed its current intention to provide sufficient financial support to enable the Consolidated Entity to meet its financial obligations as and when they fall due. This undertaking is provided for a minimum period of twelve months from 24 February 2011. Consequently, the directors have prepared the financial statements on a going concern basis.

Historical cost convention

These preliminary financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) which are stated at fair value, as explained in the significant accounting policies set out below.

Critical accounting estimates

The preparation of preliminary financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires the Group to exercise its judgement in the process of applying the Consolidated Entity's accounting policies.

(b) Principles of consolidation

The consolidated preliminary financial statements include the financial statements of Hutchison Telecommunications (Australia) Limited and its subsidiaries made up to 31 December 2010.

Subsidiaries are all those entities (including special purpose entities) over which the Consolidated Entity has the power to govern the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity (refer to note 1(f)).

The effects of all transactions between entities in the Consolidated Entity are eliminated. If a member of the Consolidated Entity uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Investments in controlled entities in the Company are accounted for at cost. Investments in joint ventures are accounted for as set out in note 1(g).

(c) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Consolidated Entity's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Hutchison Telecommunications (Australia) Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

(i) Telecommunication services
Revenue from the provision of mobile telecommunication services with respect to voice, video, internet access, messaging and media services, including data services and information provision, is recognised when the service is rendered and, depending on the nature of the services, is recognised either at gross amount billed to the customer or the amount receivable as commission for facilitating the services. Revenue from the sales of prepaid mobile calling cards is recognised upon customer's usage of the card or upon the expiry of the service period.

(ii) Sale of handsets
Revenue from sale of handsets is recognised at the date of despatch of goods, pursuant to the signing of the customer's contract and when all the associated risks and rewards have passed to the customer.

(iii) Interest income
Interest income is recognised on a time proportion basis using the effective interest method.

(e) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The relevant tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Hutchison Telecommunications (Australia) Limited and its wholly owned Australian subsidiaries have not implemented the tax consolidation legislation.

(f) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Consolidated Entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, which is limited to one year from date of acquisition, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Refer to note 1(n) for the accounting policy on goodwill arising from a business combination.

(g) Joint ventures

A joint venture is a contractual arrangement whereby the venturers undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

(i) Jointly controlled entity

A jointly controlled entity is a joint venture which involves the establishment of a separate entity. The Consolidated Entity's interest in the joint venture entity is accounted for in the consolidated financial statements using the equity method of accounting. Under this method the share of the profits or losses of the entity is recognised in the profit or loss, and the share of the movements in reserves is recognised in reserves in the statement of financial position.

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture are eliminated to the extent of the Consolidated Entity's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

(ii) Jointly controlled assets

The proportionate interests in the assets, liabilities, income and expenses of a jointly controlled asset have been incorporated in the financial statements under the appropriate headings.

(h) Impairment of assets

Goodwill is not subject to amortisation and is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(i) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within bank borrowings in current liabilities on the statement of financial position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the profit or loss.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

(k) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Consolidated Entity designates certain derivatives as; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Consolidated Entity documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Consolidated Entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within other income or other expense.

Amounts accumulated in equity are recycled in the profit or loss in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss.

(l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments.

(m) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(n) Goodwill and intangible assets

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates/jointly controlled entity is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if, events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The expected useful lives of the intangible assets, other than goodwill, are as follows:

Spectrum licences and capitalised development costs	12 to 15 years
Customer acquisition and retention costs	2 to 3 years
Transmission rights	13 years

(o) Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid or payable within 30 days of recognition.

(p) Interest bearing liabilities

Fixed rate loans are initially recognised at fair value, net of transaction costs incurred. Floating rate loans are initially recognised at cost, net of transaction costs incurred. Fixed and floating rate loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the liability using the effective interest method.

(q) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed. Borrowing costs include:
- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- certain exchange differences arising from foreign currency borrowings.

(r) Employee benefits

(i) Wages and salaries, and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave
The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Bonus plan
A liability for employee benefits in the form of a bonus plan is recognised in other creditors when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:
- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Share-based payments
Share-based compensation benefits are provided to employees via the Hutchison Telecommunications (Australia) Limited Employee Option Plan.

Share options granted after 7 November 2002 and vested after 1 January 2005
The fair value of options granted under the Hutchison Telecommunications (Australia) Limited Executive Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at the grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(v) Retirement benefits
Retirement benefits are delivered under the Retail Employees Superannuation Trust, although employees have an option to choose other funds. This fund is a defined contribution fund and is based on employer and employee contributions made to the fund.

Contributions are recognised as an expense as they become payable.

(s) Contributed equity

Ordinary shares and convertible preference shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Earnings per share

(i) *Basic earnings per share*
Basic earnings per share is calculated by dividing:

- the profit attributable to ordinary equity holders of the Consolidated Entity
- by the weighted average number of ordinary shares outstanding during the financial year

(ii) *Diluted earnings per share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(v) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision maker. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately.

(w) Rounding of amounts to nearest thousand dollars

The Consolidated Entity is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar or cent.

(x) New accounting standards and interpretations

The Consolidated Entity has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements:

AASB 3 *Business combinations*

Costs incurred to effect a business combination are expensed in the period in which they were incurred. Previously such costs were capitalised as part of the cost of the business combination.

The revised AASB 3 changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of the acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

The revised AASB 3 prohibits entities from recognising contingencies associated with a business combination, unless they meet the definition of a liability.

The revised AASB 3 requires that where a business combination is achieved in stages, any previously held equity interest is to be remeasured to fair value and the resulting gain or loss, being the difference between fair value and historical costs, is to be recognised in the statement of comprehensive income.

Australian Accounting Standards that have recently been amended but are not yet effective and have not been early adopted by the Consolidated Entity are outlined in the table below:

Reference	Affected Standard(s)	Application date of standard*	Application date for Consolidated Entity
AASB 9	*AASB 9: Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards*	1 January 2013	1 January 2013
AASB 124	*Related Party Disclosures (revised December 2009), AASB 2009-12 Amendments to Australian Accounting Standards*	1 January 2011	1 January 2011
AASB 2009-5	*Further amendments to Australian Accounting Standards arising from the Annual Improvements Process*	1 January 2010	1 January 2011
AASB 2009-10	*Amendments to Australian Accounting Standards – Classification of Right Issues*	1 February 2010	1 January 2011
AASB 2009-11	*Amendments to Australian Accounting Standards arising from AASB 9*	1 January 2013	1 January 2013
AASB 2009-12	*Amendments to Australian Accounting Standards*	1 January 2011	1 January 2011
AASB 2009-14	*Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement*	1 January 2011	1 January 2011
AASB 2010-4	*Further amendments to Australian Accounting Standards arising from the Annual Improvements Project*	1 January 2011	1 January 2011
AASB 2010-5	*Amendments to Australian Accounting Standards*	1 January 2011	1 January 2011
AASB 2010-7	*Amendments to Australian Accounting Standards arising from AASB 9*	1 January 2013	1 January 2013
AASB 2010-6	*Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets*	1 July 2011	1 January 2012
Intepretation 19	*IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments*	1 July 2010	1 January 2011

* Application date of the standard is for the reporting periods beginning on or after the date shown in the above table.

The adoption of other standards and amendments listed above in future periods is not expected to result in substantial changes to the Group's accounting policies.

Note 2 Earnings per share

	2010 Cents	2009 Cents
(a) Basic earnings per share		
Profit attributable to the ordinary equity holders of the Consolidated Entity	**0.54**	6.27
(b) Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Consolidated Entity	**0.54**	5.85

(c) Earnings used in calculating earnings per share

	2010 $'000	2009 $'000
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Consolidated Entity used in calculating basic earnings per share	**73,442**	467,724
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Consolidated Entity used in calculating diluted earnings per share	**73,442**	467,724

(d) Weighted average number of shares used as the denominator

	2010 Number	2009 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**13,572,508,577**	7,461,780,971
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**13,572,508,577**	7,988,567,834

There were 23,450,000 (2009 : 24,975,000) options outstanding at 31 December 2010 that are anti-dilutive and accordingly has no impact on the earnings per share calculation for the year ended 31 December 2010.

Note 3 Operating segment

The Consolidated Entity has identified its operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Consolidated Entity operated within the telecommunications industry until 9 June 2009. On 10 June 2009, the Company announced that the merger of its subsidiary H3GA with VAL had completed. H3GA has been renamed VHA. As a result, the Consolidated Entity now invests in an operator within the telecommunications industry. In 2010 the Consolidated Entity continued to invest in an operator within the telecommunications industry.

The chief operating decision maker of the Consolidated Entity receives information to manage its operations and investment based on one operating segment, an investor in an operator of telecommunication services. As such, the Consolidated Entity believes it is appropriate that there is one operating segment, investment in telecommunication services.

Key financial information used by the chief operating decision maker of the Consolidated Entity when evaluating the investment in telecommunication services operating segment includes :

HTAL's share of VHA	**2010** **$m**	**2009** **$m**
Operating Revenue	**2,411**	2,040
Operating Margin	**1,691**	1,386
EBITDA	**476**	175

Hutchison Telecommunications (Australia) Limited
Supplementary Appendix 4E information

Additional dividend/distribution information *(Appendix 4E item 6)*
Details of dividends/distributions declared or paid during or subsequent to the year ended 31 December 2010 are as follows:

Dividends/distributions declared or paid N/A

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

Accumulated Losses *(Appendix 4E item 8)*

	2010 **$'000**	**2009** **$'000**
Accumulated losses at 1 January	**(2,899,851)**	(3,367,575)
Net profit attributable to the members of Hutchison Telecommunications (Australia) Limited	**73,442**	467,724
Accumulated losses at 31 December	**(2,826,409)**	(2,899,851)

NTA Backing *(Appendix 4E item 9)*

	2010	**2009**
Net tangible asset backing per ordinary share	$0.11	$0.10

Controlled entities acquired or disposed of *(Appendix 4E item 10)*
There was no acquisition nor disposal of controlled entities during the year ended 31 December 2010.

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

Jointly controlled entity
HTAL owned a 50% interest in a joint venture with Vodafone Group Plc named Vodafone Hutchison Australia Pty Limited ("VHA"). The interest in VHA held by a controlled entity H3GAH is accounted for in the consolidated financial statements using the equity method.

The aggregate share of profits from VHA for the year ended 31 December 2010 is $43,103,000 (2009: $141,355,000 losses including share of 3GIS partnership profits of $2,825,000, which was equity accounted for by HTAL until 9 June 2009).

Information relating to the jointly controlled entity is set-out below:

	2010 $'000	2009 $'000
Interest in a jointly controlled entity	**1,600,961**	1,553,651
Share of the jointly controlled entity’s assets and liabilities		
Current assets	**557,543**	554,437
Non-current assets	**3,108,599**	3,180,941
Total assets	**3,666,142**	3,735,378
Current liabilities	**607,978**	1,557,664
Non-current liabilities	**1,659,751**	765,013
Total liabilities	**2,267,729**	2,322,677
Net assets	**1,398,413**	1,412,701
Share of the jointly controlled entity's revenue, expenses and results		
Revenues – share of VHA	**2,410,901**	1,302,373
Expenses – share of VHA	**(2,367,798)**	(1,446,553)
Profit/(Loss) for the period – share of VHA	**43,103**	(144,180)
Revenue – share of 3GIS	**-**	34,868
Expenses – share of 3GIS	**-**	(32,043)
Profit for the period – share of 3GIS	**-**	2,825
Profit/(Loss) for the period	**43,103**	(141,355)
Share of the jointly controlled entity's commitments		
Lease commitments	**456,377**	478,327
Capital commitments	**246,661**	123,770
	703,038	602,097
Contingent liabilities relating to the jointly controlled entity	**22,468**	-
Reconciliation of interest in a jointly controlled entity		
Investment b/f	**1,553,651**	1,556,881
Profit/(Loss) for the year	**43,103**	(144,180)
Share of changes in fair value of cash flow heges, net of tax	**4,207**	-
Goodwill	**-**	165,321
Gain on disposal of spectrum licence from HTAL to VHA, net of amortisation	**-**	(24,371)
Interest in jointly controlled entity at 31 December	**1,600,961**	1,553,651

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