Hutchison Telecoms

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Companies Announcements Office

Australian Securities Exchange

Date 24 February 2010

Subject: Annual Results Presentation

Please find attached the company's media release and a copy of the presentation to be made by the Chief Executive Officer, Nigel Dews.

Yours faithfully

Louise Sexton
Company Secretary

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Media Release

Hutchison reports on growing profitability of VHA

- **HTA profit: $73.4 million**
- **Strengthening EBITDA as percentage of service revenue: 21.6%**
- **VHA full year net adds: 681,000 customers**
- **Double digit post-paid growth: 11.5%**

Sydney, 24 February 2011: Hutchison Telecommunications (Australia) Limited (ASX: HTA) today announced a full year profit of $73.4 million for 2010, based on strong growth in postpaid customers and service revenue for Vodafone Hutchison Australia (VHA). The profit marks a turnaround for HTA, which last year posted an underlying loss of $119.6 million.

Chairman of Hutchison Telecoms Canning Fok, said: "We are pleased with VHA's performance, profitability and continued growth in service revenues in the first full year since the merger."

Vodafone Hutchison Australia Chief Executive Officer Nigel Dews, said: "2010 was a good year with solid profitable growth underpinned by strong postpaid handset performance."

"Our strengthening financial performance supports our accelerated investment in network coverage and capacity, which is critical for us to continue to improve the experience of our customers," said Dews.

HTA's share of VHA's 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 since the merger. EBITDA as a percentage of service revenue has risen 12.3 percentage points to 21.6%.

HTA's share of VHA's service revenue grew by 16.8% to $2.2 billion, and full year operating margin was up 22.0% to $1.7 billion, reflecting lower domestic roaming costs through the utilisation of VHA's network assets and growth in non-voice revenue.

VHA's customer base grew strongly in 2010 with 681,000 customers added during the year. VHA now has a total customer base of 7.58 million customers, an increase of 9.9% year on year. VHA continued to achieve strong postpaid customer growth – an increase of 11.5% (excluding wholesale customers). 59.4% of the base are on postpaid plans – an increase of 2.6 percentage points for the full year.

More than 3 million customers are using 3G services including mobile broadband customers accessing the network via USB devices and Pocket WiFi, with strong growth in data usage. Average Revenue Per User (ARPU) has held relatively steady at $54.02. VHA's non-voice services now account for 40.3% of ARPU, up from 36.7% at 31 December 2009.

Driven by investments in network improvements and integration projects, HTA's share of VHA capital expenditure in 2010 increased 27.6% to $301.5 million.

VHA confirmed that its engagement with NBN Co. is continuing and it is working towards being part of the NBN Co. customer trial in the second half of 2011. VHA's first priority with NBN Co. remains securing commercial terms for transmission backhaul. VHA is also actively and constructively engaged with the government on the spectrum renewals process which it expects will be concluded soon.

HTA expects VHA to remain profitable in 2011 and continue to generate positive free cash flow. VHA is on track to achieve merger synergies with a net present value of $2 billion.

Financial highlights*:

- HTA profit for the full year was $73.4 million
- HTA's share of VHA EBITDA for the year was $475.8 million, an increase of 171.6%
- EBITDA as a percentage of service revenue is 21.6%, up from 9.3% in 2009
- HTA's share of VHA customer service revenue was $2.2 billion, up 16.8% year on year
- HTA's share of VHA full year operating margin increased by 22.0% to $1.7 billion

VHA Operating highlights (as at 31 December 2010):

- 7,576,000 customers, net addition of 681,000 customers
- 59.4% postpaid customer base (excludes wholesale customers)
- More than 3 million customers using 3G services via a mobile broadband device or handset
- Average acquisition cost per new customer is $145, down from $165 year on year

* Unless otherwise stated, all % and $ increases are on the prior corresponding period, HTA full year 2009.
HTA Share = 50% of VHA result

- Ends -

Notes to Editors

VHA is a 50:50 joint venture between Hutchison Telecoms and Vodafone Group Plc and operates Vodafone, 3 and Crazy John's in Australia.

For further details of the financial results for HTA please visit www.hutchison.com.au and see the Company's results as released to the ASX.

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Hutchison Telecommunications (Australia) Limited

2010 Full Year Results

Nigel Dews
Vodafone Hutchison Australia
Chief Executive Officer
24 February 2011

Hutchison Telecoms

Telecommunications operations of Hutchison Whampoa Limited

Financial highlights

- **HTAL profit for year $73.4 million**
  - **$193.0 million improvement (excluding prior year gain on merger)**
- **HTAL's share of VHA results**
  - **Customer service revenue of $2,201.4 million, up $316.9 million or 16.8%**
  - **22.0% increase in full year operating margin**
  - **EBITDA $475.8 million, an increase of 171.6%**

Unless otherwise stated, all % and $ increases are on the prior corresponding period, HTAL 2009.
To be read in conjunction with ASX Preliminary Final Report – 31 December 2010
HTAL = results for HTAL the Company
HTAL Share = results are 50% of VHA, the underlying operating entity
VHA = results are 100% of the underlying operating entity

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VHA operating highlights

- **681,000 customers added during 2010, making customer base 7.6 million**
- **Strong postpaid growth**
  - **11.5% year on year increase in postpaid customers**
  - **59.4% of base now postpaid, up from 56.8%**
- **3.0 million 3G services customers, up 116.1%**
- **Operating expenditure per customer $371, down by 16.3%**
- **Customer acquisition cost per connection $145, down by 12.1%**
- **Growing profitability with $475.8 million EBITDA, 21.6% of service revenue up from 9.3% in 2009**

3G Services includes content or data accessed via a handset, mobile broadband cards, USB modems, Netconnect Cards and embedded broadband sims
Postpaid growth excludes wholesale customers
Percentage of postpaid base excludes wholesale customers

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HTAL's share of VHA key financials

($million)	Full Year to 31 Dec 10	Full Year to 31 Dec 09	Change
Total revenue	2,410.9	2,040.1	18.2%
Service revenue	2,201.4	1,884.5	16.8%
EBITDA	475.8	175.2	171.6%
Share of net profit from VHA	43.1	(141.4)	130.5%
Capital expenditure	301.5	236.2	27.6%

Service revenue excludes handset revenue, interest income and other income

EBITDA represents service revenue less interconnect cost and running operating expenditure plus capitalised incremental direct acquisition and retention costs in accordance with AIFRS

Share of net profit from VHA represents the share of net profit attributable from jointly controlled entities as reported in the financial statements of HTAL, measured under equity accounting rules prescribed by AASB 128

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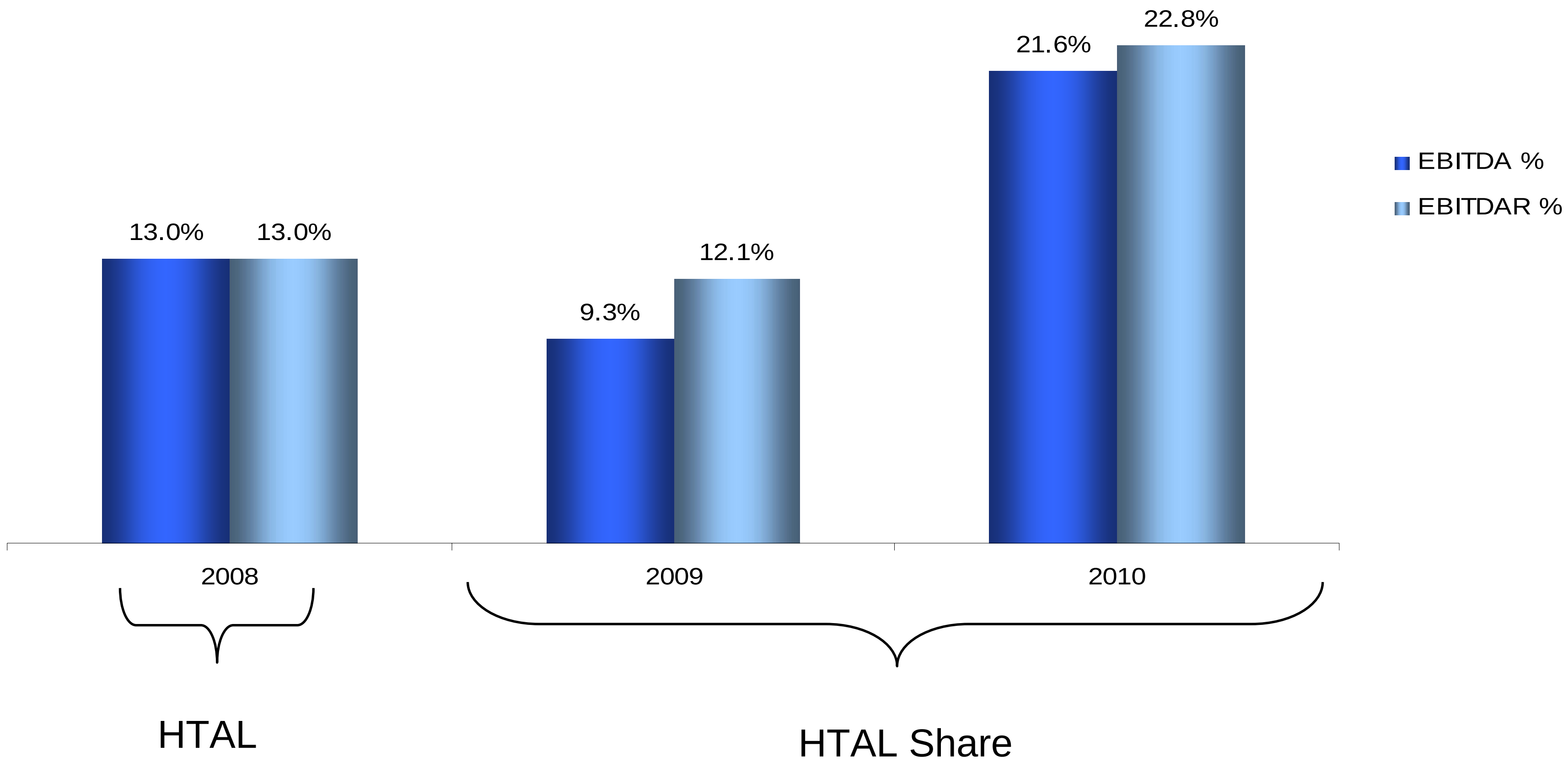
HTAL's share of VHA EBITDA

(% Service Revenue)



Strengthening profitability

EBITDAR represents EBITDA excluding one off restructuring costs associated with the merger

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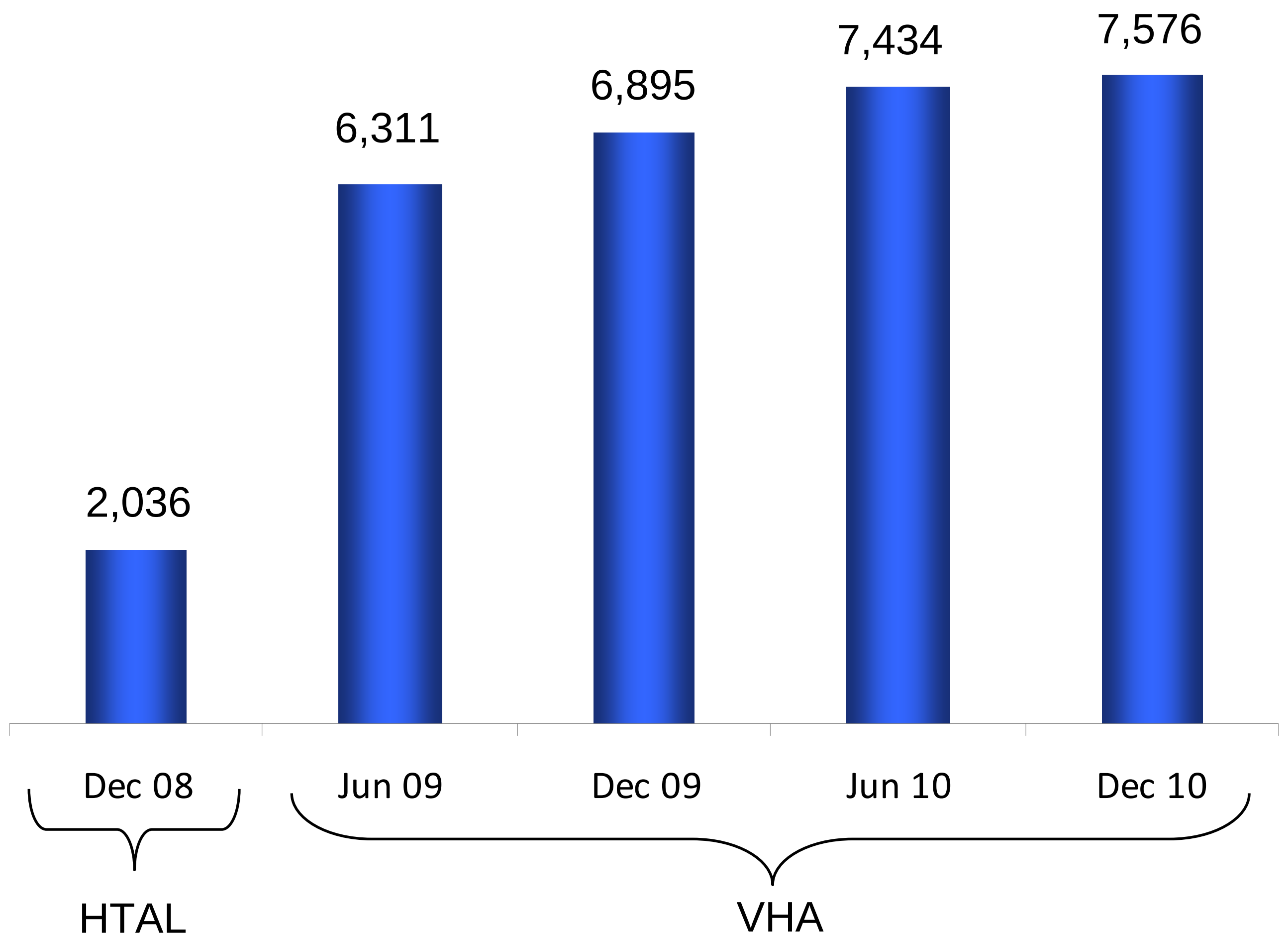
VHA customer base

(Customers '000)

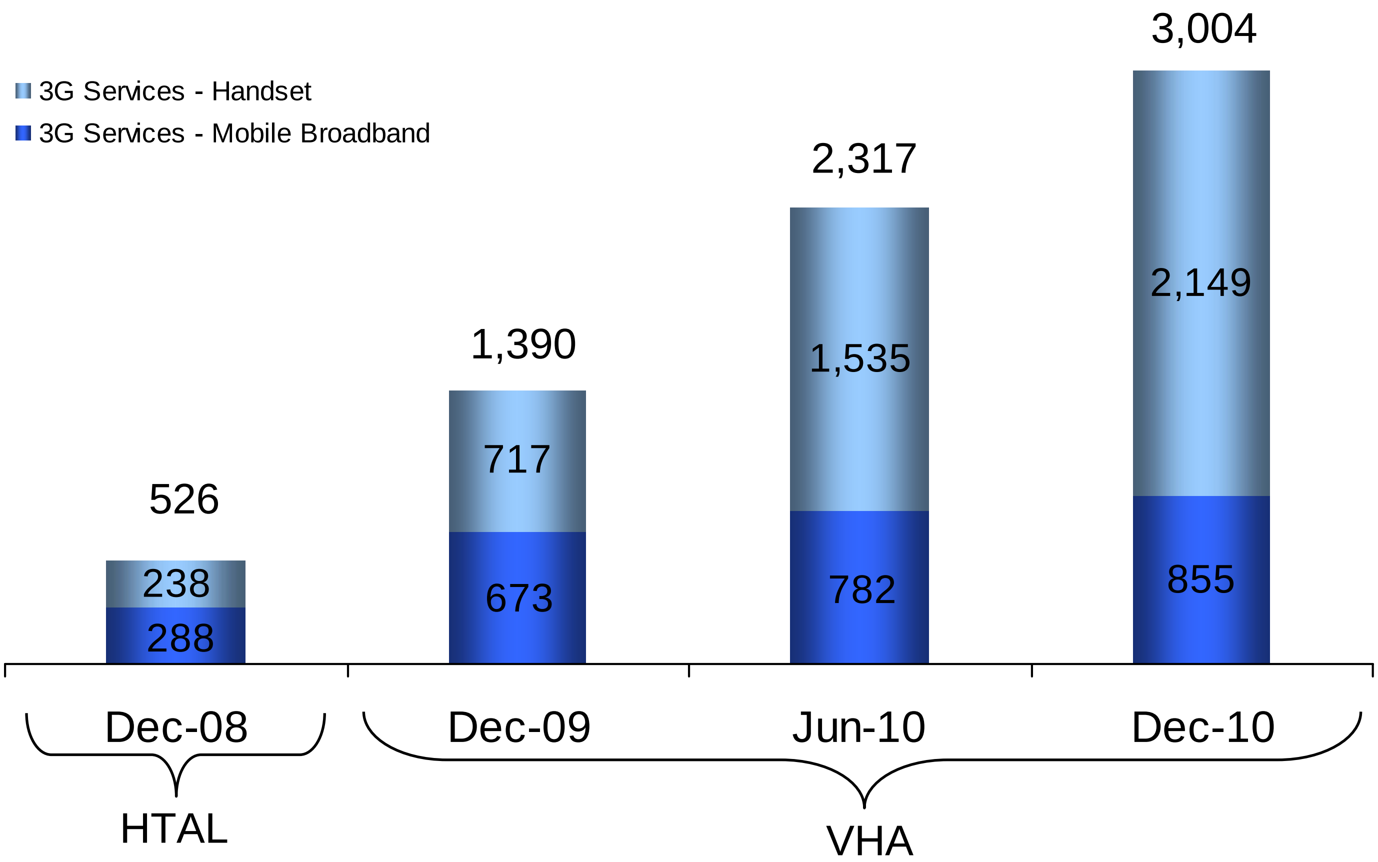


11.5% growth in postpaid customers*

VHA Customer Base = active customers (including wholesale customers)
*** =** excluding wholesale customers

VHA 3G services customers

(Customers ‘000)

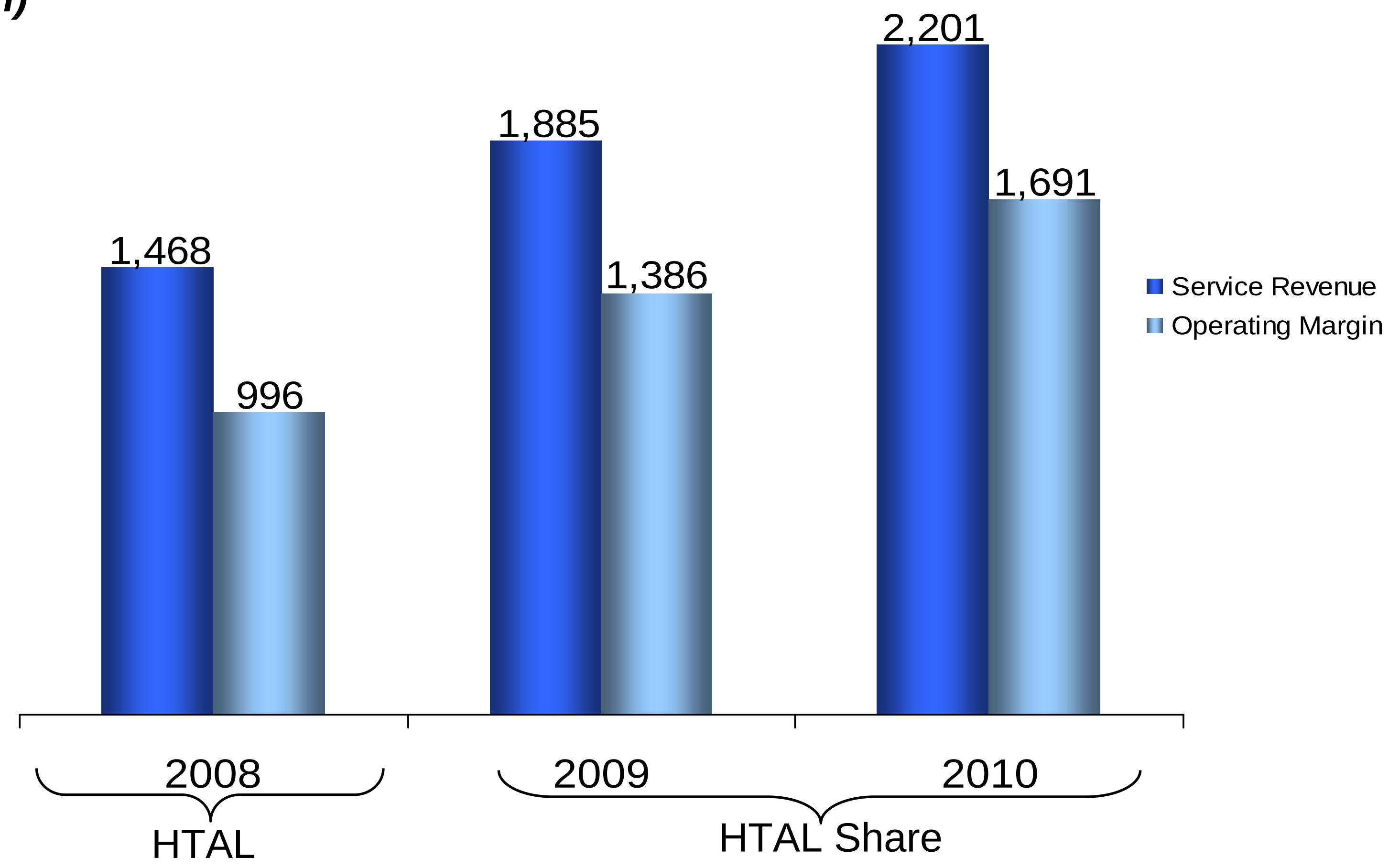


3 million 3G services customers

3G Services - Handset = customers with billed 3G services on handset
3G Services - Mobile Broadband = Mobile Broadband cards, USB Modems, NetConnect Cards and embedded broadband sims

HTAL's share of VHA service revenue & margin

($ million)



22.0% increase in operating margin

Service revenue excludes handset revenue, interest income and other income

Operating margin represents service revenue less interconnect and variable content costs

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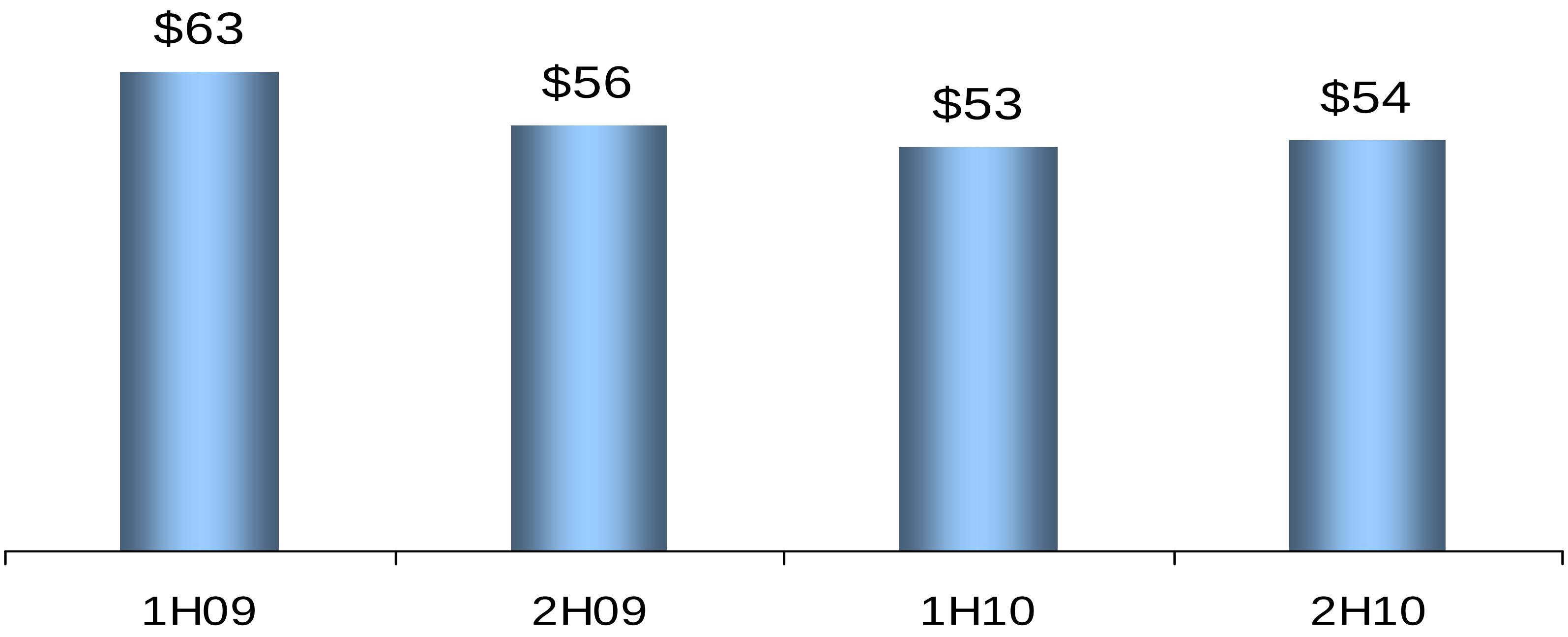
VHA ARPU



ARPU steady in competitive market

ARPU represents the rolling 12 month average revenue per user.
Pre merger results impact rolling 12 month ARPU for 1H09 and 2H09.

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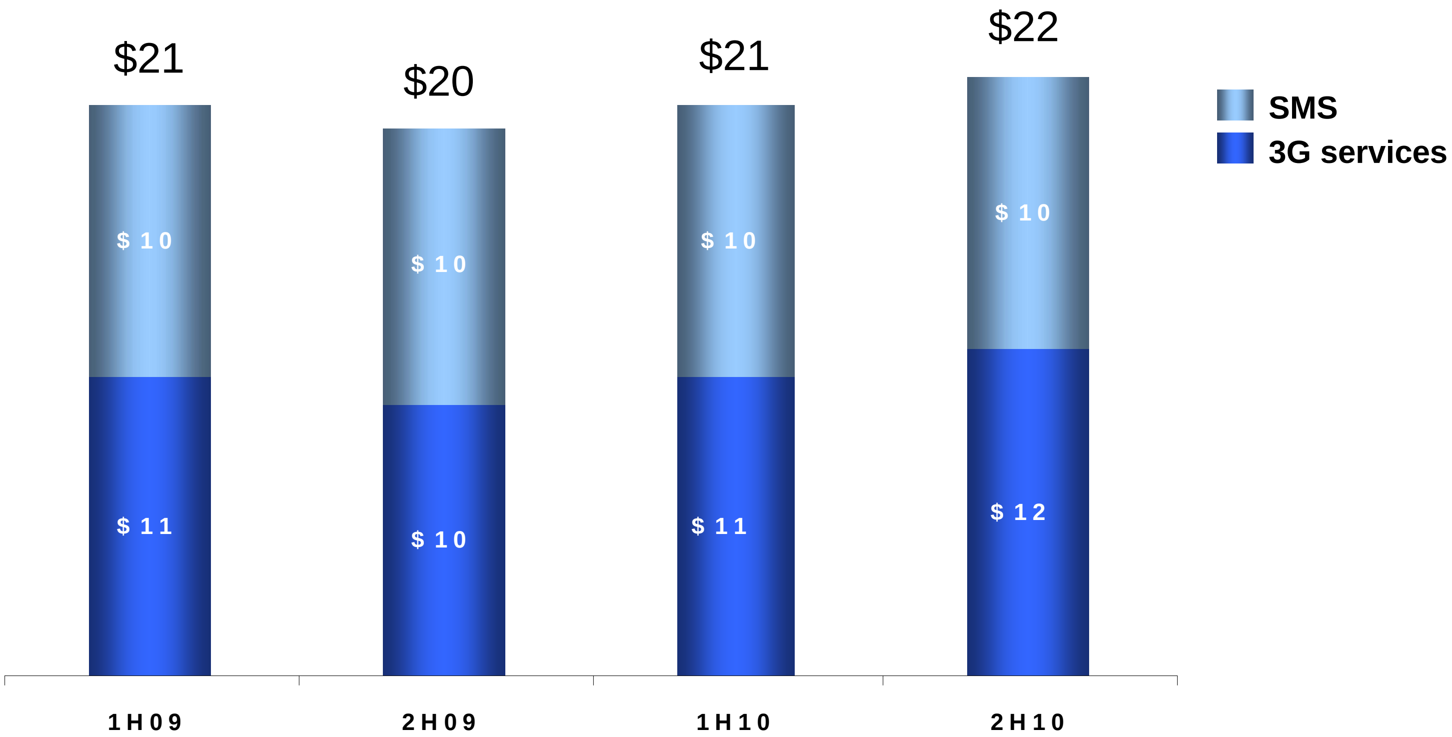
VHA non-voice ARPU



Non-voice ARPU 40.3% of total ARPU

3G services includes all non-voice services with the exception of SMS

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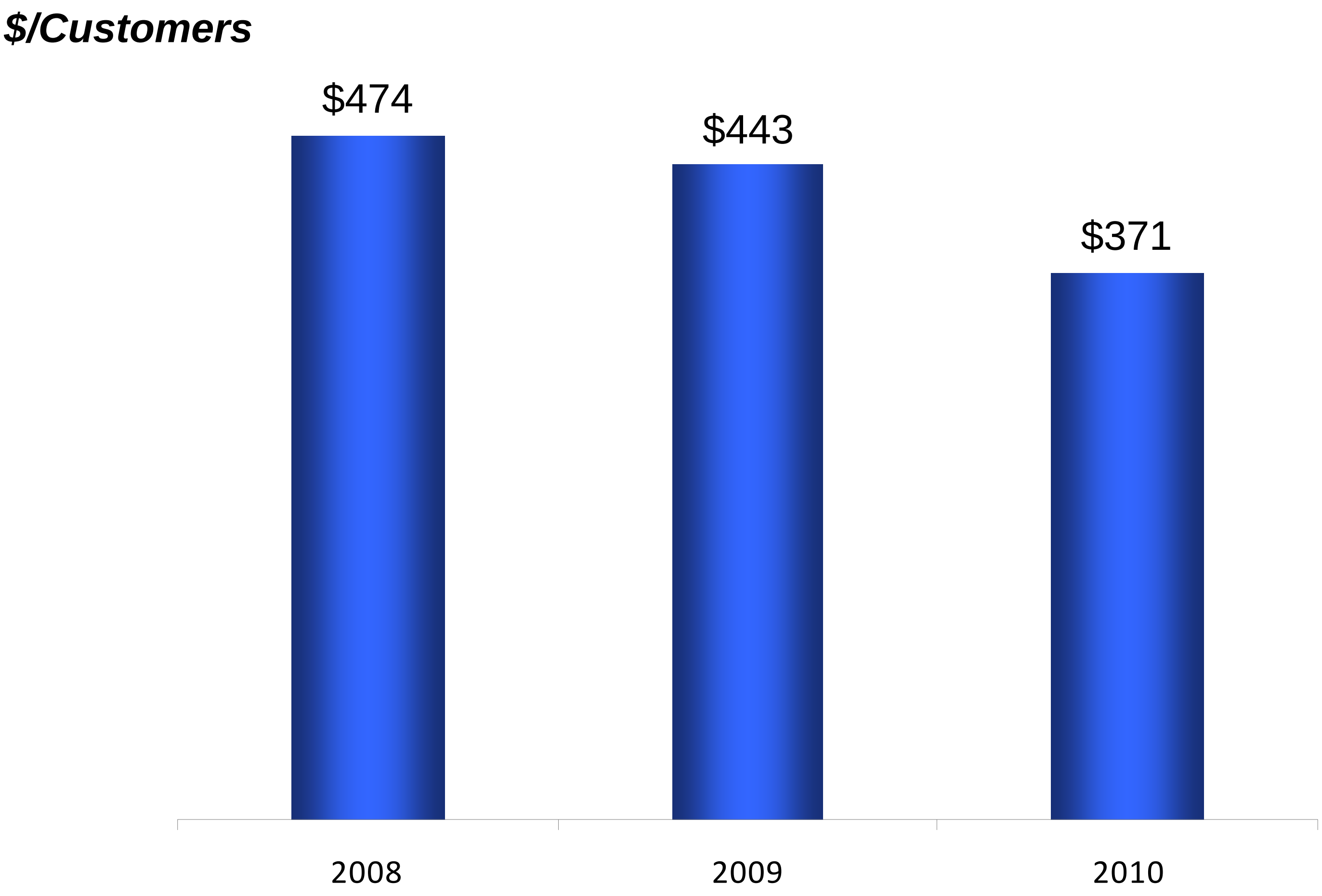
VHA operating expenditure per customer



Integration savings being realised

Operating expenditure per customer 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.

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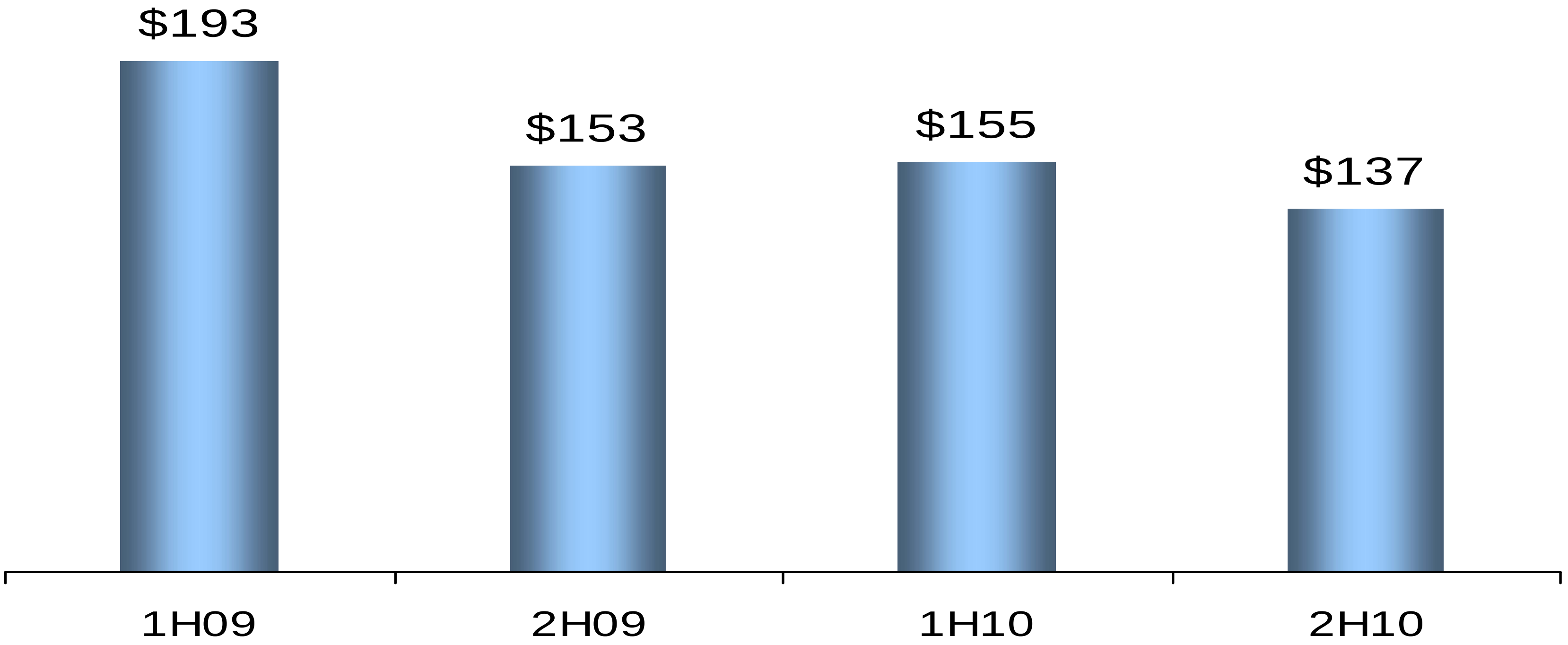
VHA acquisition costs per new customer

$/New customer



Acquisition costs under control

Customer acquisition costs per new customer represents the average direct costs, including commissions, promotional credits and handset subsidies associated with acquiring each new customer for the period.

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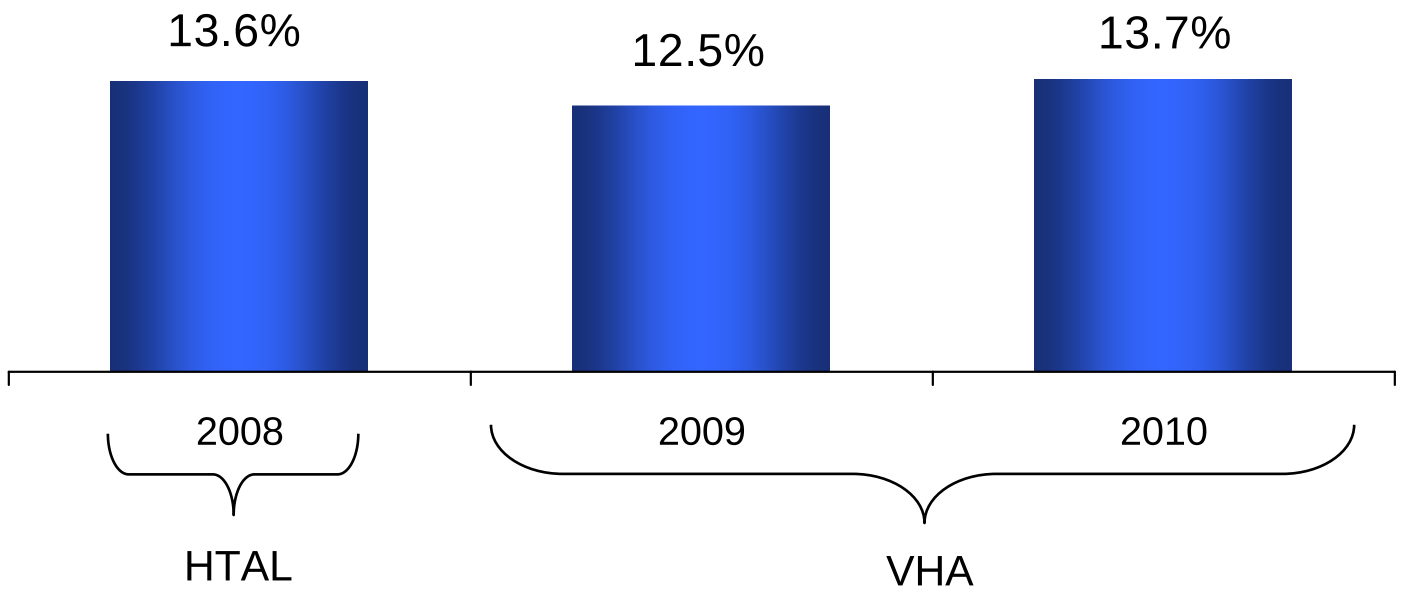
VHA capital expenditure

(% Service revenue)



Investment in network and integration

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Progress on integration

- All retail stores selling Vodafone products and consolidation of retail store footprint well progressed, store refit program underway
- Contact centre consolidation to Mumbai and Hobart completed
- Network vendors appointed and consolidation underway for managed services, core, transmission and radio access network.
- 3GIS radio access network sharing agreement with Telstra to conclude in 2012
- Migration to new prepaid billing system, integration of '3' and Vodafone 3G services platforms, and integration of retail and corporate IT platforms complete
- Head and state office consolidation complete

Integration progressing well

2011 VHA outlook

- Continue to grow service revenue and profitability
- Maintain value leadership in face of aggressive price-based competition
- Continue to focus on customer satisfaction
- Accelerate network upgrade and expansion plans
- Deliver next wave of integration and full year benefit of 2010 savings to remain on track to deliver merger synergies with NPV of $2 billion
- Engage with government on spectrum, National Broadband Network, terminating access rate and customer service initiatives
- Remain profitable and free cash flow positive in 2011

Continued profitable growth

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Telecommunications operations of Hutchison Whampoa Limited

HWL

Hutchison Telecommunications (Australia) Limited
2010 Full Year Results
24 February 2011
Nigel Dews' Presentation Notes

Introduction

Good afternoon.

I'm Nigel Dews, CEO at Vodafone Hutchison Australia.

I'd like to welcome you to the call. I'll be taking you through the 2010 Full Year Results for Hutchison Telecommunications Australia (Hutchison).

These results – for the year to 31 December 2010 – represent an equity accounted result for the first full financial year of Vodafone Hutchison Australia (VHA).

We'll open the lines for questions at the end of the presentation.

To view the presentation, please click on the URL that was supplied within the invitation for this call.

Slide 2

I'm pleased to announce a $73.4 million profit for Hutchison for the full year.

This is a $193.0 million improvement on 2009, excluding the gain on the merger.

Hutchison's share of VHA's service revenue was $2.2 billion, up $316.9 million or 16.8% year on year.

Full Year operating margin was up 22.0%.

Hutchison's share of VHA's EBITDA, was $475.8 million, which is an increase of 171.6% year on year.

Slide 3

VHA added 681,000 customers during 2010, bringing our total customer base to 7.576 million customers.

We generated strong growth in our postpaid business throughout the year. Our postpaid customer base (excluding wholesale customers) increased by 11.5% year on year. 59.4% of our customer base are now postpaid, up from 56.8% last year.

We recorded strong growth in the number of customers using 3G services, to over 3 million customers, up 116%.

Our economies of scale arising from the merger are increasingly evident in the reduction of operating costs per customer. These costs are down 16.3% to $371.

Acquisition costs per new customer are also down by 12.1% (from $165 in 2009) to $145.

Importantly, we are growing profitably and have demonstrated strong growth in EBITDA which has risen to 21.6% of service revenue .

Slide 4

Hutchison's share of these key VHA financials show double- and triple-digit growth reflecting VHA's growing financial strength.

In VHA's first full financial year there have been strong increases in revenue and profitability while we have increased capital expenditure to secure our future.

Slide 5

At a time when our major competitors are seeing declining mobile profitability, our EBITDA as a percentage of service revenue is up 12.3 percentage points, from 9.3% to 21.6%.

Slide 6

We have added 681,000 customers in the year taking our total customer base to 7.576 million customers. Within this total our postpaid customer numbers have grown in double digits at 11.5% (excluding wholesale customers).

Slide 7

Today more than 3 million of our customers are using 3G services. The number of customers using data on handsets has tripled to 2.149 million. The increase is driven by the strong take up of smartphones.

Slide 8

Service revenue grew by 16.8% year-on-year reflecting the underlying strength of our postpaid business. Operating margin grew by 22.0% to $1.69 billion through lower domestic roaming costs from the utilisation of our network assets and the growth in non-voice revenue.

Slide 9

This shows our Average Revenue Per User (ARPU). While it looks like ARPU has decreased in 2010 this reflects the postpaid and prepaid mix following the merger. Importantly during 2010, despite extremely competitive market conditions, ARPU was largely stable.

Slide 10

Non-voice ARPU including SMS remains steady. Non-voice services are now 40.3% of ARPU, up from 36.7% in 2009.

Slide 11

Operating expenditure per customer continues to reduce with integration savings being realised. Operating expenditure per customer is $371 for the full year, down 16.3%.

Slide 12

This shows our acquisition costs per new customer, which have reduced over the year.

Slide 13

VHA's capital expenditure as a percentage of service revenue has risen to 13.7% in 2010. Hutchison's share of VHA capital expenditure was $301.5 million, up 27.6%. More than 50% of our total capital expenditure was attributed to Vodafone network investment. The remainder was largely spent on integration activities and IT.

Slide 14

We have made good progress on the integration of the Vodafone and Hutchison businesses since the merger.

All company-owned retail outlets that were 3 stores are now multibranded, with Vodafone products sold across all stores. Our Service Centres now provide service and support for devices from all three VHA brands. We have consolidated our retail footprint and are well advanced on a multi-million dollar refit of our retail stores, which is resulting in substantial productivity improvements.

Our contact centre operations were consolidated to two major centres in Hobart and Mumbai.

During 2010, we appointed new Core Network, Managed Services and Transmission suppliers, and this week we have announced a major new contract with Huawei as our radio access network (RAN) supplier.

We have completed our head office and state office consolidation.

Slide 15

We have achieved strong revenue growth and improvements in margin and EBITDA last year and in 2011 our focus is to continue to grow service revenue while growing profitability.

We expect the aggressive price-based competition that emerged in 2010 to continue in 2011, and that we will maintain our value leadership.

In the face of sustained market pressure on ARPU, we will continue to innovate in the prepaid and postpaid markets. We will achieve more economies of scale from the merger and benefits of our efficient cost structure.

After a difficult few months, customer satisfaction and brand health are key. The action we are taking to restore current network performance and increase customer service capabilities following issues affecting some of our customers towards the end of 2010 is beginning to take effect.

This year we plan to spend in excess of $450 million in capital expenditure to further improve network performance.

On Tuesday we 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. Work continues with the building of our new 850 MHz 3G network 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, we 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, we will also incorporate 1,400 new sites into the existing Vodafone network, including sites that are already available to us following the agreement to conclude the 3GIS network joint venture.

During 2011, we are making significant investments to improve the in-building coverage experience for our customers.

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

Integration continues to be a focus with ongoing cost discipline to ensure the full year benefit of the merger savings made in 2010 are delivered in 2011.

A number of significant government policy issues will be resolved or progressed in 2011.

Our engagement with NBN Co. is continuing and we are working towards being part of their customer trials in the second half of 2011. While the intent to provide fibre to base stations is clear, we look forward to making real commercial progress on this with the NBN Co. in 2011. This remains our highest NBN Co. priority.

Getting certainty around the renewal of spectrum is critical. While dialogue with the government continues to be constructive, renewal of existing spectrum licences is a significant unknown cost, and completing the renewal process is a key focus.

We will also be actively engaged in the review of terminating access rates by the Australian Competition and Consumer Commission during 2011.

Additionally we have been participating in the Australian Communications and Media Authority's "Reconnecting the Customer" initiative, and look forward to this enquiry producing constructive outcomes for customer service.

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

Thank you. I will now take questions.

-ends-