

## Press Release

**FOR IMMEDIATE RELEASE****Hong Kong, 7 March 2005****HUTCHISON TELECOM  
ANNOUNCES RESULTS FOR FINANCIAL YEAR ENDED 2004 AND Q4 KPIS****Key highlights**

- § 2004 turnover was up 48.1% to HK\$15.0 billion
- § Turnover increases in all markets, with particularly strong growth in India
- § Mobile customer base grew to 12.6 million, a 47.3% increase from the start of 2004
- § Mobile customer base increased 8.3% during the fourth quarter
- § ARPUs were relatively stable across all markets, despite strong competition

**Financial highlights**

	2004	2003	Change
	HK\$'million	HK\$'million	
Turnover	14,960	10,104	48.1%
Operating Profit	1,859	869	113.9 %
Operating Profit excluding one-time gain	559	869	(35.7%)
Profit (loss) attributable to shareholders	72	(214)	-
Earnings per share	HK\$0.02	HK\$(0.05)	-

Hutchison Telecommunications International Limited (“Hutchison Telecom” or the “Company”; SEHK: 2332, NYSE: HTX) today announced a robust 48.1% increase in Group turnover, with all operating companies performing well in highly competitive markets. This reflects strong growth in the Company’s customer base across all its markets, where the overall number of customers grew 47.3% to 12.6 million as at 31 December 2004.

Each of the Group’s operating companies reported increased turnover in 2004, with particularly strong growth in India, which contributed 47.4% of Group turnover, whilst Hong Kong represented 42.9% (mobile 24.8% and fixed 18.1%) and Thailand 8.1%.

The Group’s operating profit, including share of net profits of associated companies, also increased to HK\$1,859 million, supported by strong operating results especially from India and Israel. Excluding a one-time gain of HK\$1,300 million realised on the disposal of shares, the underlying operating profit was HK\$559 million.

Whilst its turnover and customer base grew, the Group also introduced initiatives to lower its cost base so as to further enhance financial performance and organizational efficiency.

Commenting on the results, Dennis Lui, Chief Executive Officer of Hutchison Telecom, said: “We are delighted to announce strong growth in earnings and customers in our first full-year results announcement as a public company. These results reflect our ability to build businesses and maintain leadership positions in very competitive markets and to create value for shareholders.

“In many of the countries in which we operate we recorded rapid increases in the number of customers, underscoring the huge potential of these markets. The recent licence award in Vietnam offers exciting prospects that we expect will provide a platform to further drive our growth.”

Tim Pennington, Chief Financial Officer of Hutchison Telecom, said: “We continue to see strong momentum in customer base growth and ARPU were relatively stable in most of our markets despite intense competition. Since the IPO we have introduced a number of cost saving initiatives, and we are continually reviewing opportunities for synergies to further strengthen the Group’s competitive position.”

The Company did not declare any dividends for the year ended 31 December 2004.

### **Key markets review**

#### **India**

- Customer base increased 74.7% from 2003 to 7.2 million
- Turnover increased 57.7% to HK\$7,093 million
- EBITDA increased 42.7% to HK\$2,201 million

Growth in the India business continued to be strong, reflecting the growth of the overall market and the Group’s position within the market. In Q4 2004, the customer base increased 12.7% and despite strong competition, average revenue per user (“ARPU”) remained constant at INR589 on the previous quarter.

The Company also announced today that the preliminary agreement to acquire Aircel was mutually terminated.

#### **Hong Kong and Macau**

##### ***Hong Kong and Macau Mobile***

- Customer base increased 12.2% from 2003 to 2.2 million
- Turnover increased 6.6% to HK\$3,714 million
- EBITDA of HK\$316 million

Hutchison Telecom continued to be the largest operator in Hong Kong in terms of the number of mobile customers and maintained its technology leadership position through the introduction of 3G services in early 2004. As at 31 December 2004, the Group had over 1,350 3G cell sites, giving it 99% population coverage, which is more than any other 3G network in Hong Kong.

Despite intense competition and general downward trend in the market, the Group was able to increase turnover for the first time in three years, driven by 3G revenues.

##### ***Hong Kong Fixed Line***

- Turnover increased 65.9% to HK\$2,701 million
- EBITDA increased approximately 5.5% to HK\$704 million

The Group, through Hutchison Global Communications Limited (“HGC”), operates a state-of-the-art fibre-network reaching over 1.2 million households and over 5,000 buildings. It also operates the largest fibre optic pipe to Mainland China. In terms of growth in revenues and profits, HGC’s performance has been one of the most impressive amongst its peers. Please refer to the announcement issued today by Hutchison Global Communications Holdings Limited on its consolidated results for the financial year ended 31 December 2004.

### **Thailand**

- Customer base increased to 615,000
- Turnover increased to HK\$1,219 million
- EBITDA loss reduced to HK\$280 million as customer base continued to grow

The Group is the only operator in Thailand operating on a high speed CDMA2000 network. It increased its market share by differentiating its services by offering its customers a high-speed multimedia service in 25 provinces that is not available anywhere else in Thailand.

### **Israel**

- Customer base increased 11.3% from 2003 to 2.3 million
- Contribution to operating profit up 26.9% to HK\$755 million

Partner Communications Company Ltd. (“Partner”), a listed associate company of the Group, demonstrated its ability to continue grow its business in a highly competitive market. In December 2004, Partner became the second company within the Group to launch 3G services.

If the announced buyback of Partner shares is completed, Hutchison Telecom’s interest in Partner will increase to more than 50%.

### **Appointment of new director**

The Company is delighted to announce today the appointment of Cliff Chiu Man Woo, its Chief Technology Officer, to its board of directors.

### **Outlook**

The Group remains very positive about its performance going forward and expects double-digit Group turnover growth to continue. It anticipates double-digit mobile customer growth and to see all of its businesses make net customer additions. As in 2004, the Group expects India to be a key area of customer growth.

With a focus on driving rapid growth in the customer base, total capital expenditure in 2005 is expected to be around the same as in 2004. Approximately 60% of total capital expenditure is expected to go to continued investment in India, to build out new areas and increase capacity. About 25% of total capital expenditure is expected to be invested in Hong Kong, with the majority of the balance across Vietnam, Thailand and other operations.

## **Note to Editors:**

**Hutchison Telecommunications International Limited (“Hutchison Telecom”)** is a leading global provider of telecommunications services. The Company’s business is currently in nine markets around the world.

Hutchison Telecom currently operates mobile and fixed telecom services in Hong Kong and mobile services also in Macau, India, Israel, Thailand, Paraguay, Sri Lanka and Ghana. It expects to launch mobile services in Vietnam later this year. Hutchison Telecom was the first provider of 3G mobile services in Hong Kong, where it also provides broadband fixed-line services. Hutchison Telecom operates common brands across its business including “Hutch”, “3” and “Orange.” Hutchison Telecom is a listed company whose American depositary shares are quoted on the New York Stock Exchange under the symbol “HTX” and shares are listed on the Hong Kong Stock Exchange under the stock code “2332”.

A subsidiary of the Hong Kong-based Hutchison Whampoa Group, Hutchison Telecom is dedicated to providing superior telecommunications services in markets with high growth potential. For more information, please visit [www.htil.com](http://www.htil.com)

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### ***Forward-looking statements:***

*This release contains forward-looking statements. Statements that are not historical facts, including statements about Hutchison Telecom’s beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and Hutchison Telecom undertakes no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks uncertainties and assumptions. Hutchison Telecom cautions you that if these risks or uncertainties ever materialise or the assumptions prove incorrect, or if a number of important factors occur or do not occur, the company’s actual results may differ materially from those expressed or implied in any forward-looking statement. Additional information as to factors that may cause actual results to differ materially from Hutchison Telecom’s forward-looking statements can be found in Hutchison Telecom’s filings with the United States Securities and Exchange Commission.*

**Caution statement:**

*The board of directors of HTIL wishes to remind investors that the following key performance indicators are based on the Group's unaudited internal records. Investors are cautioned not to unduly rely on such data. While non GAAP (generally accepted accounting principles) measures such as EBITDA (earnings before interest, taxation, depreciation and amortisation) and LBITDA (losses before interest, taxation, depreciation and amortisation) are often used by companies as an indicator of operating performance, they are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally because the Group has historically reported certain non GAAP results to investors, the Group considers the inclusion of non GAAP measures provides consistency in our financial reporting.*

## Quarterly KPI Results

### 1. Customer base

Customer Base	Q4 2004 31 December 2004			Q3 2004 30 September 2004			Q2 2004 30 June 2004			Q1 2004 31 March 2004			Q4 2003 31 December 2003		
	Total ('000)	Postpaid ('000)	Prepaid ('000)	Total ('000)	Postpaid ('000)	Prepaid ('000)	Total ('000)	Postpaid ('000)	Prepaid ('000)	Total ('000)	Postpaid ('000)	Prepaid ('000)	Total ('000)	Postpaid ('000)	Prepaid ('000)
Hong Kong (incl Macau)	2,195	1,270	925	2,176	1,248	928	2,113	1,233	880	2,040	1,210	830	1,957	1,164	793
India	7,159	2,135	5,024	6,351	1,797	4,554	5,751	1,479	4,272	5,129	1,182	3,947	4,099	906	3,193
Israel	2,340	1,640	700	2,269	1,576	693	2,202	1,524	678	2,165	1,501	664	2,103	1,463	640
Thailand	615	362	253	585	407	178	530	429	101	379	379	-	224	224	-
Others	244			205			163			150			140		
<b>GROUP MOBILE TOTAL</b>	<b>12,553</b>			<b>11,586</b>			<b>10,759</b>			<b>9,863</b>			<b>8,523</b>		

Notes:

- (1) A customer is defined as a Postpaid Customer or a Prepaid Customer who has a SIM or USIM that has access to the network for any purpose, including voice, data or video services.
- (2) Post customers are defined as those whose mobile telecommunications service usage is paid for in arrears upon receipt of the mobile telecommunications operator's invoice and who have not been temporarily or permanently suspended from service.
- (3) Prepaid customers are defined as prepaid SIM cards that have not been used up or expired at period end.
- (4) All numbers quoted on the basis of the total customer base of the operation irrespective of the Company's ownership percentage.
- (5) All numbers quoted as at last day of the quarter.
- (6) Others currently comprise Ghana, Paraguay and Sri Lanka.
- (7) The data for Hong Kong for the period ended 31 December 2003 relates only to 2G services and that for the periods ended 31 March 2004, 30 June 2004, 30 September 2004 and 31 December 2004 relates to both 2G and 3G services.

### 2. ARPU (per user per month)

ARPU <sup>1</sup>	Q4 2004 31 December 2004			Q3 2004 30 September 2004			Q2 2004 30 June 2004			Q1 2004 31 March 2004			Q4 2003 31 December 2003		
	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
Hong Kong (incl Macau) HKD	156	210	40	151	205	36	152	207	36	146	201	33	160	212	39
India INR	589	1,247	318	583	1,293	318	591	1,408	328	592	1,467	339	707	1,861	386
Israel NIS	167			176			171			168			170		
Thailand THB	876	1,187	313	927	1,116	334	1,137	1,246	331	1,711	1,711	-	1,370	1,370	-
Others USD	10.68			12.39			13.47			13.97			14.84		

Notes:

- (1) ARPU is calculated as the total service revenues during the period divided by the weighted average number of activated customers in the period.
- (2) The basis for the calculation has been changed from the Prospectus in two material respects - (i) Customers - the quarterly KPIs use "weighted" average subscribers whereas the Prospectus used "simple" average; and (ii) Period - the quarterly KPIs use three month average data whereas the Prospectus used 12 or 6 month average data.
- (3) Service revenues are defined as the direct recurring service revenues plus roaming revenues.
- (4) The data for Hong Kong for the period ended 31 December 2003 relates only to 2G services and that for the periods ended 31 March 2004, 30 June 2004, 30 September 2004 and 31 December 2004 relates to both 2G and 3G services.
- (5) Others currently comprise Ghana, Paraguay and Sri Lanka.

### 3. Minutes of use

MOU <sup>1</sup>	Q4 2004 31 December 2004			Q3 2004 30 September 2004			Q2 2004 30 June 2004			Q1 2004 31 March 2004			Q4 2003 31 December 2003		
	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
<b>Hong Kong (incl Macau)</b>	407	573	50	396	558	51	377	535	46	368	523	43	383	528	45
<b>India</b>	337	625	219	334	662	211	343	731	218	348	775	224	333	732	221
<b>Israel</b>	288			291			283			280			276		
<b>Thailand</b>	422	524	238	441	513	278	593	658	318	583	583	-	727	727	-
<b>Others</b>	179			184			178			175			173		

Notes:

- (1) Minutes of Use - are the total minutes carried over the network (2G total airtime usage + 3G voice and video usage, including both inbound and outbound roaming during the period) divided by the weighted average number of postpaid/prepaid activated customers for the period.
- (2) The basis for the calculation has been changed from the Prospectus in two material respects - (i) Customers - the quarterly KPIs use "weighted" average subscribers whereas the Prospectus used "simple" average; and (ii) Period - the quarterly KPIs use three month average data whereas the Prospectus used 12 or 6 month average data.
- (3) The data for Hong Kong for the period ended 31 December 2003 relates only to 2G services and that for the periods ended 31 March 2004, 30 June 2004, 30 September 2004 and 31 December 2004 relates to both 2G and 3G services.
- (4) Others currently comprise Ghana, Paraguay and Sri Lanka.

### 4. Churn (% per month)

Churn <sup>1</sup>	Q4 2004 31 December 2004			Q3 2004 30 September 2004			Q2 2004 30 June 2004			Q1 2004 31 March 2004			Q4 2003 31 December 2003		
	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid	Blended	Postpaid	Prepaid
<b>Hong Kong (incl Macau)</b>	4.5%	2.5%	7.3%	4.6%	2.8%	7.2%	4.8%	2.7%	7.9%	4.3%	2.3%	7.1%	3.4%	2.2%	5.2%
<b>India</b>	8.1%	5.8%	9.1%	8.0%	5.5%	9.0%	7.8%	5.5%	8.6%	6.4%	4.8%	6.9%	6.6%	5.3%	7.0%
<b>Israel</b>	1.0%			0.9%			1.1%			1.1%			1.1%		
<b>Thailand</b>	7.4%	6.7%	9.0%	n.m.	n.m.	7.8%	2.1%	1.8%	3.5%	0.5%	0.5%	-	10.0%	10.0%	-
<b>Others</b>	4.2%			2.4%			3.3%			2.2%			2.2%		

Notes:

- (1) Churn % represents the average of the churn rates for each month in the period, which are calculated by dividing the number of disconnections (net of reconnection and internal migration between networks) for the relevant period by the subscriber numbers at the beginning of such period.
- (2) The basis for the calculation has been changed from the Prospectus in two material respects - (i) Customers - the quarterly KPIs use "weighted" average subscribers whereas the Prospectus used "simple" average; and (ii) Period - the quarterly KPIs use three month average data whereas the Prospectus used 12 or 6 month average data.
- (3) The data for Hong Kong for the period ended 31 December 2003 relates only to 2G services and that for the periods ended 31 March 2004, 30 June 2004, 30 September 2004 and 31 December 2004 relates to both 2G and 3G services.
- (4) Others currently comprise Ghana, Paraguay and Sri Lanka.
- (5) n.m. indicates not meaningful.

## Consolidated Income Statement

	Note	2003	2004	2004
		HK\$ millions	HK\$ millions	US\$ millions
Company and subsidiary companies				
Turnover	3,4	10,104	14,960	1,918
Cost of inventories sold		547	1,400	180
Staff costs		1,081	1,597	205
Depreciation and amortisation	4	2,262	3,059	392
Other operating expenses		5,936	9,098	1,166
Profit on partial disposal of a subsidiary company	5	—	1,300	167
<b>Operating profit of company and subsidiary companies</b>	4	278	1,106	142
Share of profits less losses of associated companies		591	753	96
<b>Operating profit</b>		869	1,859	238
Interest and other finance costs, including share of associated companies, net		970	1,054	135
<b>(Loss) profit before taxation</b>		(101)	805	103
Current taxation charge	6	22	105	13
Deferred taxation (credit) charge	6	(195)	384	49
<b>Profit after taxation</b>		72	316	41
Minority interests		286	244	32
<b>Net (loss) profit attributable to shareholders</b>		(214)	72	9
<b>Dividends</b>	7	—	—	—
<b>(Loss) earnings per share</b>	8	(HK\$0.05)	HK\$0.02	US\$0.002

*For the notes to the income statement, please refer to the announcement dated 7 March 2005 issued by Hutchison Telecommunications International Limited and available on [www.htil.com](http://www.htil.com).*

## Consolidated Balance Sheet

	Note	2003	2004	2004
		HK\$ millions	HK\$ millions	US\$ millions
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Fixed assets		17,697	20,228	2,593
Other non-current assets		4,075	4,339	557
Goodwill		6,168	6,139	787
Deferred tax assets		910	844	108
Associated companies		1,581	1,846	237
Amounts due from related companies		543	—	—
Long term deposits		93	79	10
<b>Total non-current assets</b>		31,067	33,475	4,292
Cash and cash equivalents	9	1,993	2,102	270
Restricted cash	9	6	10	1
Other current assets	9	3,177	4,211	540
Bank loans		3,723	12,281	1,574
Other loans		1,556	1,316	169
Debentures		204	247	32
Other current liabilities	10	5,943	6,745	865
<b>Net current liabilities</b>		(6,250)	(14,266)	(1,829)
<b>Total assets less current liabilities</b>		24,817	19,209	2,463
<b>Non-current liabilities</b>				
Long term loans		7,485	3,582	459
Amounts due to related companies		22,903	—	—
Deferred tax liabilities		46	148	19
Other long-term liabilities		15	124	16
<b>Total non-current liabilities</b>		30,449	3,854	494
<b>Minority interests</b>		743	1,068	137
<b>Net (liabilities) assets</b>		(6,375)	14,287	1,832
<b>CAPITAL AND RESERVES</b>				
Share capital		—	1,125	144
Reserves		(6,375)	13,162	1,688
<b>Shareholders' (deficits) funds</b>		(6,375)	14,287	1,832

*For the notes to the balance sheet, please refer to the announcement dated 7 March 2005 issued by Hutchison Telecommunications International Limited and available on [www.htil.com](http://www.htil.com).*