Operations Review

The Group's activities are focused on five core businesses - ports and related services; telecommunications; property and hotels; retail and manufacturing; and energy, infrastructure, finance and investments.

The Group's turnover and earnings before interest expense and tax ("EBIT") for 2001, including the Group's share of associated companies' and jointly controlled entities' turnover and EBIT, are shown by business segment on pages 4 and 5 of this Report and also in Note 3 to the consolidated profit and loss account. Turnover for the year increased 5% to HK$89,038 million with all core businesses reporting increases except property and hotels due to reduced development activity in Hong Kong. Although 2001 proved to be a very challenging year, all the Group's core businesses reported EBIT ahead of the previous year, except for retail and manufacturing and Husky Energy. The Group's EBIT for the year was HK$21,846 million, a 12% increase over the previous year's EBIT of HK$19,567 million.

The Group's interest expense for the year, including its share of associated companies' and jointly controlled entities' interest expense, increased by 11% to HK$8,767 million mainly due to an increased average loan balance as a result of the issue in September 2000 and January 2001 of an

00 : 00

Around the world, around the clock

Hutchison Whampoa Limited's five core divisions span the globe, transcending time and cultural barriers. With interests in 36 countries, we work 24 hours a day to ensure our businesses operate with clockwork precision. Whatever the time or date, a new day is always dawning for Hutchison. Welcome to our world.

aggregate of US$5,657 million notes (which are exchangeable into Vodafone shares), borrowings by Cheung Kong Infrastructure ("CKI") in the latter part of 2000 to finance and naturally hedge the currency risk of an infrastructure investment in Powercor in Australia, and local currency borrowings to fund the expansion of the Group's overseas telecommunications operations, partially offset by reduced interest rates. The details of the profits on disposal of investments less provisions totalling HK$3,124 million (2000 – HK$25,742 million) are shown in Note 6 to the consolidated profit and loss account. The Group's tax charge increased by HK$327 million, or 17%, due to increased profits from port operations acquired in 2001 and increased profits in CKI's Australian joint ventures. The minority interests' share of the Group's profit increased by HK$511 million, or 39%, reflecting the minority shareholders' share of profits in the port operations acquired in 2000 and 2001.

The profit attributable to shareholders for the year amounted to HK$12,088 million compared to HK$34,118 million in 2000 due to reduced profits on disposal of investments less provisions. Excluding the profits on disposal of investments less provisions, the Group's profit in 2001 increased 7% over the previous year.

05:45 Ports and Related Services
10:15 Telecommunications
12:45 Property and Hotels
12:45 Retail and Manufacturing
21:45 Energy, Infrastructure, Finance and Investments