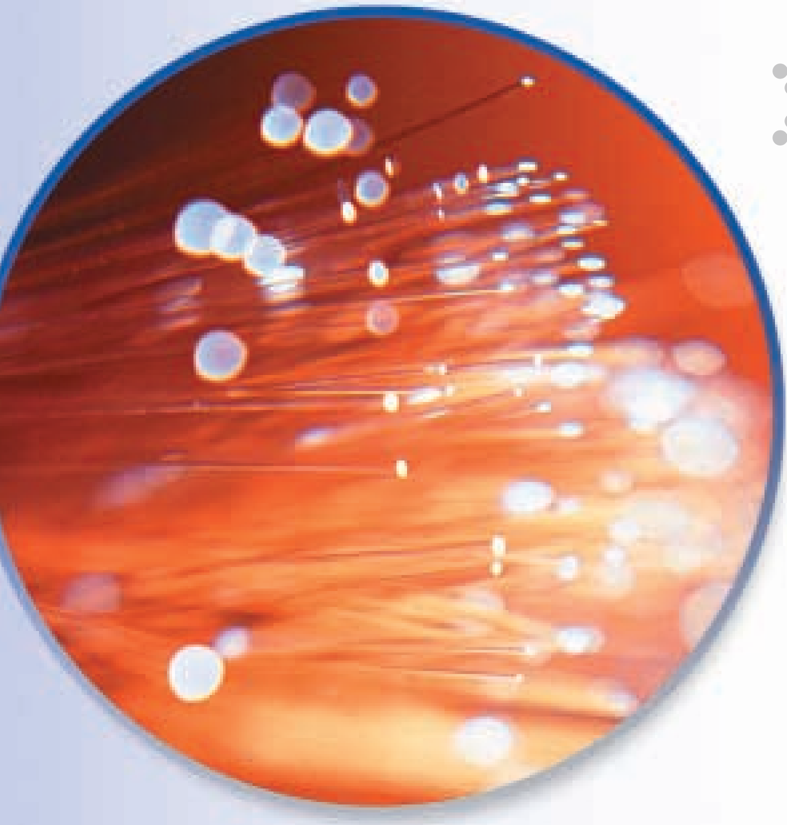


12,553,000
HTIL total mobile customers

8,080,000
Worldwide 3G mobile customers

800,000
Core fibre optic cable in km

1 Australia
2 Hong Kong
3 Macau
4 Vietnam
5 Thailand
6 Sri Lanka
7 India
8 Israel
9 Sweden
10 Italy
11 Austria
12 Denmark
13 Norway
14 Ghana
15 United Kingdom
16 Rep. of Ireland
17 Paraguay
18 Argentina

● 3 Group ● HTIL ● Others

The Group's telecommunications division consists of a 70% interest in Hutchison Telecommunications International ("HTIL"), which was listed on the Stock Exchanges of Hong Kong and New York in October, and the 3 Group businesses in Europe and Australia. HTIL holds the Group's interests in the 2G and 3G mobile operations in Hong Kong and Israel, Hutchison Global Communications Holdings ("HGCH"), the 2G mobile operations in India, Macau, Sri Lanka, Ghana and Paraguay and the CDMA2000-1X operations in Thailand. 3 Group is one of the world's leading operators of third generation mobile telecommunications technology with controlling interests in 3 branded businesses in seven countries in Europe and Australia. 3 Group commenced operations in the UK, Italy and Australia in 2003 and the other countries, except Norway, in 2004.

Hutchison Telecommunications International

HTIL announced turnover of HK$14,960 million, a 48% increase over last year, and profit attributable to shareholders of HK$72 million, including a one-time gain of HK$1,300 million on disposal of a 26% interest in its listed subsidiary Hutchison Global Communications, compared to last year's loss of HK$214 million. The Group's share of HTIL's turnover and EBIT amounted to 16% of the Group's turnover and less than 1% of EBIT from established businesses. EBIT decreased from HK$1,025 million to HK$23 million, mainly due to the start-up losses of 3G Hong Kong in its first year of operations and a one-time charge by the Thailand operation.

Hong Kong and Macau

In Hong Kong, the Group's 2G operation maintained its leading market position with a market share of approximately 23% and a customer base exceeding 1.9 million. The 3G business in Hong Kong, which commenced operations in January 2004, has progressed well in its first year of operations and has a current customer base of 282,000, well ahead of its competitors.

- *Hutchison Global Communications introduces the innovative broadband-based video phone Vfone, which allows users to communicate "face-to-face".*

HGCH, which is listed on the Stock Exchange of Hong Kong, is an integrated telecommunications and information technology company, created after the merger of Hutchison Global Communications' fixed line network, Vanda System's information technology solutions operations and PowerCom Network Hong Kong in March 2004. HTIL holds a 52.5% interest in HGCH. HGCH announced turnover of HK$2,721 million, an increase of 70%, and profit attributable to shareholders of HK$97 million, an increase of 83%.

- *Hutchison CAT kicks off its network caravan with its innovative combination of a Vespa, a Mini-Cooper and some vans together with a mobile karaoke booth to promote the completion of CDMA network coverage and multimedia service availability to customers along its route and in 25 major central cities.*

India

In India, the 2G operation reported another year of impressive growth and results reflecting the growth of the overall market and the businesses leading position within its markets. The customer base has increased an impressive 75% to 7.2 million. In February this year, HTIL's various mobile interests in India were consolidated under one company, Hutchison Max Telecom. This has created one of the largest consolidated mobile operations in India which is expected to result in operating synergies and also places Hutchison Max Telecom in a better position to access the capital markets in India.

Israel

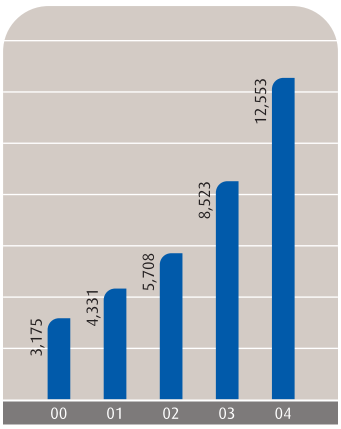
In Israel, HTIL holds a 43% interest in listed associate Partner Communications ("Partner"), which announced a profit before taxation of US$176 million, a 43% increase compared to 2003, and a profit attributable to shareholders of US$109 million, a 59% decrease, mainly due to a one-time recognition in 2003 of the accumulated tax benefits, expected from the utilisation of accumulated tax loss carried forward from prior years. Excluding this one-time credit in 2003, profit attributable to shareholders increased 35%. At the end of 2004, Partner had over 2.3 million 2G customers, or a market share of approximately 32%. Partner commenced offering 3G services in the central area of Israel in December 2004. The roll out of the 3G network is continuing and expected to reach national coverage at the end of

HTIL turnover :

HK$14,960 million

HTIL Customer Base

2G and 3G customers (thousands)



- *Partner Communications, operating the Orange network in Israel, advertises on the new shuttle train entering the Ben Gurion International Airport. The advertisement features smiling faces from around the globe, promoting the international dimension of Partner's offering.*

2005. In February this year, three of the founding Israeli shareholders of Partner irrevocably offered to sell all of their Partner shares to Partner and another of the Israeli founding shareholders has an option to participate in the sale. The offer has been accepted by Partner, but is subject to Partner shareholder approval. If such approval is obtained and all other conditions precedent are satisfied, upon completion of the buy back, HTIL's interest in Partner will increase from 43% to over 50% and Partner will become a subsidiary of HTIL.

Thailand

In Thailand, the CDMA2000-1X operation commenced services in February 2003. The Group's share of this operation's start-up loss before interest expense and finance costs, taxation and minority interests ("LBIT") was higher than last year, mainly due to a HK$557 million charge related to a programme to churn low value and poor credit risk customers that resulted in a write-off of bad debts and related customer acquisition costs, and also due to a provision for inventories. The operation had approximately 615,000 customers at the end of 2004.

In January this year, HTIL announced cost saving initiatives that have recently been completed or are to be implemented this year, specifically in Hong Kong, Thailand and Israel. A large part of these initiatives involve the outsourcing of certain operational functions. These measures are intended to enhance performance and organisational efficiency and are expected to translate into more cost-effective operations while maintaining or exceeding current service levels to customers.

Vietnam

In February this year, HTIL's wholly owned indirect subsidiary Hutchison Telecommunications (Vietnam) obtained an approval from the Ministry of Planning and Investment of Vietnam, which permits it to engage in business co-operation with Hanoi Telecommunication Joint Stock Company to build, develop and operate a mobile telecommunications network in Vietnam. This business plans to develop a CDMA2000 network to provide mobile telecommunications services in Vietnam.

Indonesia

In March this year, HTIL entered into an agreement, subject to Government approval, to acquire a 60% interest in PT Cyber Access Communications ("Cyber Access") in Indonesia for US$120 million. Cyber Access holds a nationwide combined 2G and 3G mobile telecommunications licence and plans to build and operate a nationwide network in this under-developed telephony market.

- *HTIL has businesses in many countries around the world including Ghana in West Africa.*

3 Group

Turnover for the **3** Group totalled HK$15,742 million for the full year of 2004, an increase of HK$12,583 million or growth of almost five times compared to the seven months of operations in 2003, reflecting the growth of the customer base from which recurring revenues are generated. Throughout the year, the **3** Group businesses refined their tariffs, handset packages and service offering to drive customer growth and were successful in converting high value second generation users to third generation users. The total customer base grew from 670,000 at the end of 2003 to total over eight million currently. In the first full year of operations, the businesses have begun to establish meaningful market share and growth momentum to increase market share in 2005. **3** UK already commands an estimated market share approaching 5% of the mobile market and Italy greater than 4.5%. Customer growth in the other countries has been satisfactory. The continuing impressive growth rates will provide strong growth in the recurring revenues of the **3** Group over the next few years.

3 Group's monthly average revenue per user ("ARPU") declined during the year to €52.43, primarily due to a change in the mix of customers as the businesses broadened their customer base into the prepaid market segment. At the end of 2004, prepaid customers accounted for 64% of the customer base and postpaid customers accounted for the remaining 36%. The ARPU of postpaid customers eased in most of the operations, although some increased reflecting the growing usage of 3G non-voice services. The proportion of non-voice revenues, which includes videocalling, content downloads and messaging, averaged 20% for 2004 compared to 10% in 2003. The mix of voice and non-voice usage has improved encouragingly during the year towards the higher margin non-voice usage, providing confirmation that demand exists for mobile services beyond commodity voice services. **3** Group's ARPUs are currently higher than the market averages in the respective countries of operation.

Demand for content services is expected to continue to grow. **3** customers are increasingly becoming familiar with the browser interface and adept at utilising 3G non-voice services. Usage of innovative new offerings is growing rapidly, such as real-time viewing of the "Big Brother" reality television show and music concerts, and downloading of first release music video clips. In the biggest ever reader-led awards in the UK mobile industry, **3** UK's "Football at 5.15" was voted the UK's best mobile service in the "What Mobile Awards" of 2004/05. **3** is setting a benchmark for innovative content services and 3G applications, and is becoming the service of choice for users that wish to upgrade from their basic 2G services.

- ***3 Hong Kong pioneers the world's first 3G live video broadcast service for horse racing.***

The new **3** Group networks are of the highest quality and with the benefit of over a year of full commercial operations, the networks are proving themselves to be scalable and resilient. The networks are achieving market recognition for their performance including **3** UK being voted "Network of the Year" by "What Cellphone", a prominent industry publication, on the basis of best hardware, services and software over the last 12 months.

Loss before interest expense and finance costs, taxation, depreciation and amortisation before investment in prepaid customer acquisition costs ("LBITDA before expensed CAC") improved to HK$7,291 million for the full year of 2004 from HK$11,571 million for the seven months of operation in 2003. LBITDA before expensed CAC has continued to improve, reducing from HK$8,557 million in the second half of 2003, to HK$7,527 million and HK$4,746 million in the first and second halves of 2004 (excluding supplier contributions) respectively, reflecting the increase in net revenue contributions from the growing customer base, economies of scale against fixed costs and initiatives to reduce costs. The **3** Group continues to investigate ways to streamline the cost structures of these new businesses. Improved margins are being achieved through the cost effective expansion of UMTS radio networks, therefore avoiding unnecessary domestic 2G roaming costs. In addition, the businesses have achieved cost savings as they change their focus from network building to commercial operations. Outsourcing and costs sharing initiatives have been pursued which have resulted in material cost savings, and further savings are budgeted for 2005 as outsourcing plans are fully implemented.

3 Group turnover :

HK$15,742 million

The **3** Group offers a range of the most advanced mobile telecommunications handsets in the market. The **3** Group is in the process of introducing its 23rd handset model to the market and is expanding its range of handset suppliers beyond the preferred supplier group that has, and will continue, to provide the bulk of the **3** Group's handsets on a high volume basis. The adoption of UMTS by many of the 2G incumbent operators has expanded the market for 3G handset supply and the **3** Group is benefiting from this expansion through an increasing range of handsets at prices that are trending lower, and also the availability of spot-market 3G handsets. In this environment, despite new competition as more incumbents enter the market, the per customer acquisition cost is expected to continue to decline. Unit CAC per customer declined from €299 for the first seven months as announced in our interim results, to €271 in the second half of the year.

In 2004, the Group adopted the current interpretation of HKAS 38 pursuant to which prepaid CAC are expensed as incurred and postpaid CAC are capitalised and amortised over the duration of the customer contract term, generally 12 months. LBITDA after expensed CAC totalled HK$15,714 million for the full year 2004 compared to HK$12,488 million for the seven months of operation in 2003, both on the basis of the new accounting policy.

- *3 UK's customers can enjoy a range of exciting services from video calling to watching full-length music videos, playing real-time multiplayer games or watching the latest football highlights from the Barclays Premiership.*

Key Business Indicators

Current key business indicators for the **3** Group and HTIL's 3G businesses are:

	3G Customers at 30 Mar 2005 ('000)	12-month Average Revenue per User ("ARPU") (1) in 2004		Mix of Postpaid / Prepaid Customers (ratio)	Estimated Network Service Coverage (2) at 28 Feb 2005	
		Local Currency / HK$	Non-voice ARPU%		3G	Voice
Australia	543	A$88.23 / 506.78	13%	85/15	68% (3)	92%
Austria	240	€62.18 / 610.85	12%	85/15	47%	99%
Italy	3,560	€47.17 / 463.91	23%	10/90	74%	99%
Sweden & Demark	414	SEK397.06 / 429.82	14%	84/16	84%	99%
United Kingdom	3,021	£40.30 / 578.04	20%	45/55	82%	99%
3 Group Total/ Average	7,778	€52.43 / 515.11	20%	36/64		
Hong Kong	282	HK$240.00 / 240.00	23%	100/0	99%	99%
Israel (4)	20					
Total	8,080					

Note 1: ARPU equals total revenue before promotional discounts and excluding handset and connection revenues, divided by the average active customers, where an active customer is one that has generated revenue from either an outgoing or incoming call or 3G service in the preceding 3 months.

Note 2: % of population

Note 3: % of licence population

Note 4: 3G operations in Israel commenced in December 2004 and the key business indicators are not meaningful

Total depreciation, amortisation of licence costs and amortisation of capitalised postpaid CAC increased from HK$7,197 million for the seven months of operation in 2003, to HK$21,782 for the full year of 2004. The resultant LBIT for the **3** Group totalled HK$37,496 million, compared to HK$19,685 million for the seven-month period last year, before the release of provision of HK$7,810 million. This result includes an unfavourable foreign exchange translation impact of approximately HK$2,850 million due to the strengthening of foreign currencies against the HK dollar.

UK

In the UK, the customer base grew by over 13 times during the year and currently totals three million while turnover grew by over nine times. The prepaid customer base grew rapidly during the year and prepaid customers now represent approximately 55% of the total customer base. Although the change in mix of the customer base towards more prepaid customers contributed to a dilution of the average ARPU to £40.30, it remains well above the UK market average ARPU. The prepaid ARPU, generated from a small customer base at the beginning of the year, grew strongly during 2004 and began to stabilise towards the end of the year above the market average. The postpaid ARPU remained steady during the year. The proportion of non-voice ARPU increased during the year to an average of 20% for the 12-month period.

ARPU continues to be enhanced through innovative content offerings. **3** UK and EMI announced the exclusive release to **3** of Robbie Williams' music video 'Misunderstood' before it premiered on TV or the web. This release, which was a world's first, allowed fans to either stream or download the video straight to their mobile handsets for a fixed fee. **3** UK also launched "My Trains", a content service that allows customers to access National Rail Enquiries information on train timetables and real-time arrival and departure information from a **3** handset.

In December, **3** UK announced that it was the first network in the UK to exceed 80% population coverage for video mobile services, thus fulfilling a major regulatory requirement three years before the licence requirement. **3** UK reached a major milestone, achieving earnings before interest expense and finance costs, taxation, depreciation and amortisation ("EBITDA") breakeven before expensed CAC on a month-by-month basis in December 2004 as well as for the first quarter this year. With the continuing rapid growth of its customer base and revenues, **3** UK is on target to be EBITDA positive after expensed CAC in the latter part of this year.

Thanks to 3, third generation mobile telecommunications is a reality for Italian customers. With a wide range of handsets, great tariffs and exciting services (sport, information, TV, music, games , videocommunity and many more) 3 is the leading provider of UMTS services in Italy.

Italy

In Italy, the customer base increased by more than nine times and currently totals 3.5 million while turnover more than tripled. **3** Italy has been the greatest beneficiary of mobile number portability between operators since its introduction in late 2003. The prepaid customer base grew more rapidly than postpaid customers, resulting in prepaid customers representing 90% of the customer base compared to 65% at the beginning of the year, in line with the industry average. As a result, average 12-month ARPU has been diluted to €47.17, but it continues to be at a substantial premium to the Italy market average. Prepaid customer ARPU more than doubled during the year.

The proportion of non-voice revenues being generated has increased substantially throughout the year, to an average of 23% for the 12-month period, reflecting the successful offering of new services. **3** Italy is developing 39 new UMTS applications for businesses, including Location Services, Video-Surveillance, Telemedicine, Mobile Office, Workforce Automation and Workflow Management. **3** Italy has continued to press its first mover advantage with the introduction of other innovative services such as providing real-time video streaming coverage of the Christmas Papal Mass and Christmas Concert.

Initiatives to reduce the operating cost structure of the business have continued. Recently, **3** Italy signed an outsourcing agreement with Ericsson, whereby Ericsson will be responsible for the daily management of the network and information systems, including the operating platforms that supply services to customers. Network ownership, expansion and other strategic decisions will remain with **3** Italy. Approximately 760 network and IT technicians are to be transferred to Ericsson. This agreement is expected to provide cost savings of approximately €250 million over five years. **3** Italy is on target to be EBITDA breakeven, before expensed CAC, on a month-by-month basis from April onwards and EBITDA positive after expensed CAC in the latter part of this year.

In December, an arbitration panel of the International Court of Arbitration of the International Chamber of Commerce issued a ruling in the arbitration proceedings between Hutchison International Limited ("HIL") and Hutchison 3G Italia S.p.A. ("Hutchison 3G Italia") and CIRtel International S. A. ("CIRtel"), a minority shareholder in Hutchison 3G Italia. Subsequent to the arbitration ruling, the Group agreed with CIRtel to acquire all the shares and rights of repayment of loans held by CIRtel, thus increasing the Group's interest in Hutchison 3G Italia to 91.3%.

Australia

The Group's 57.8% owned listed subsidiary in Australia, Hutchison Telecommunications Australia ("HTA"), announced turnover of A$1,173 million, an increase of 232%, and a net loss attributable to shareholders of A$552 million compared to A$410 million last year. Included in these consolidated results are HTA's 2G operations, which reported a 31% increase in the Orange Mobile 2G customers to over 426,000. The 2G operations revenue grew 45% to A$ 366 million and reported EBITDA of A$48 million.

Also, included in HTA's consolidated results are the results of Hutchison 3G Australia ("H3GA") in which HTA has an effective 80.1% interest. H3GA reported a 356% increase in revenues to A$402 million during the year. H3GA grew its customer base by 422% in 2004, and currently totals 543,000 while ARPU increased from last year. The revenue contribution from non-voice services, including messaging, multimedia content services and high-speed data access also grew strongly and represented 13% of ARPU for the 12-month period. H3GA introduced a sports tariff package during the year which offers unlimited access to certain sports content for an additional fixed monthly fee which was successfully promoted by popular Australian Test Cricket team members. Other popular service offerings were launched including a real-time combat game that allows multiple users to participate, each using their own 3G handset. In August, H3GA launched a prepaid service and the market reception has been encouraging.

In December, H3GA signed an agreement with Telstra Corporation ("Telstra") to establish a new partnership to own and operate H3GA's existing WCDMA radio access network. In return for 50% ownership of the network assets, Telstra will pay H3GA A$450 million under a fixed payment schedule. H3GA will also benefit from the sharing of network operations and maintenance costs and the expanded rollout of the network to regions where it does not have a 3G licence. A new national roaming agreement was also signed with Telstra that will expand the network footprint to 96% of the Australian population.

3 Austria presents its mobile multi media services at "FunTec" fair.

Sweden/Denmark/Austria

In Sweden and Denmark, the combined customer base grew by over 19 times, revenues increased approximately 27 times and ARPU remained stable during the year. In Austria, the customer base increased by over 16 times, revenues increased by almost eight times, while ARPU remained at an impressively high level. These businesses have continued to develop content and services that appeal to their local audiences. In Sweden, for example, offerings were launched to further facilitate the usage of locally tailored content on a recurring subscription basis. With these various content offerings, customers can access the latest content from MTV, receive golf lessons, access sports statistics and interviews from Aftonbladet, and receive domestic and international news from TT and Reuters.

During the year, the withdrawal of Orange SA from the 3GIS network joint venture, which was established to jointly build and operate a UMTS radio network to cover up to 70% of population coverage in Sweden, was finalised. Orange SA fulfilled its guaranteed funding obligations to the joint venture and the current ownership in the joint venture is equally held by **3** Sweden and Vodafone SA.

Others

The network in Ireland continues to be extended. Full commercial launch of the business is planned for the second half of 2005. The Norway business is under development.

Interest Expense, Finance Costs and Taxation

The Group's interest expense and finance costs for the year, including its share of associated companies' and jointly controlled entities' interest expense amounted to HK$12,712 million, an increase of 33%, mainly due to increased loan balance to fund the development of the **3** Group businesses in the UK, Italy and Australia. The Group recorded a net taxation credit of HK$3,042 million, compared to last year's taxation credit of HK$3,096 million. The net credit position is due to the recognition of deferred taxation assets totalling HK$6,818 million (2003 - HK$5,854 million), relating to the expected future tax benefits of **3** Group losses for the year in the UK and Italy. The **3** Group's current performance trend provides convincing evidence that it is probable these benefits will be realised. Deferred tax assets are carried on the Group's balance sheet and reduce net loss after taxation and minority interests ("NLAT") for the year. As with any balance sheet asset, these must be tested for impairment at each balance sheet date. In the case of the **3** Group's deferred tax assets, such impairment could be required if and to the extent that, at a future time, the performances of the businesses do not provide convincing evidence that it is probable that such tax benefits would be realised.

Summary

The Group's established businesses remain strong and continue to expand and grow. Our focus on expanding our global presence through organic growth and acquisitions where good opportunities arise, will ensure that these businesses are well positioned to sustain steady and strong growth.

The tremendous customer growth in the rapidly developing **3** Group businesses in 2004 has firmly established these businesses and I believe they are on track to meet their EBITDA breakeven target this year. **3** Group plans to continue to gain market share by capitalising on "first mover" advantages and through the rollout of new, innovative and entertaining 3G services. As these businesses begin to make positive contributions to the Group over the next few years, shareholders value will be enhanced.

The results of 2004 were achieved, despite strong competition in all markets, through the strong supportive efforts and the focused dedication of the Group's employees, I would like to join our Chairman in thanking them for their continuing loyal support and hard work throughout the year.

Fok Kin-ning, Canning
Group Managing Director

Hong Kong, 31 March 2005