



We are dedicated to providing market-leading telecommunications in each of the countries where we do business. We are committed to providing the most reliable networks, best of class customer services, competitive calling rates as well as comprehensive data plans.



Operations Review

The Group

As at 31 December 2004, we grew to a record 12.6 million customers across eight markets, firmly establishing ourselves as a leading global provider of mobile and fixed line telecommunications services.

As a technology and market leader, our wide range of mobile telecommunications services revolutionises the way our customers communicate, whether with voice, data or content services operating on GSM or CDMA networks or with the very latest 3G services in our more established markets.

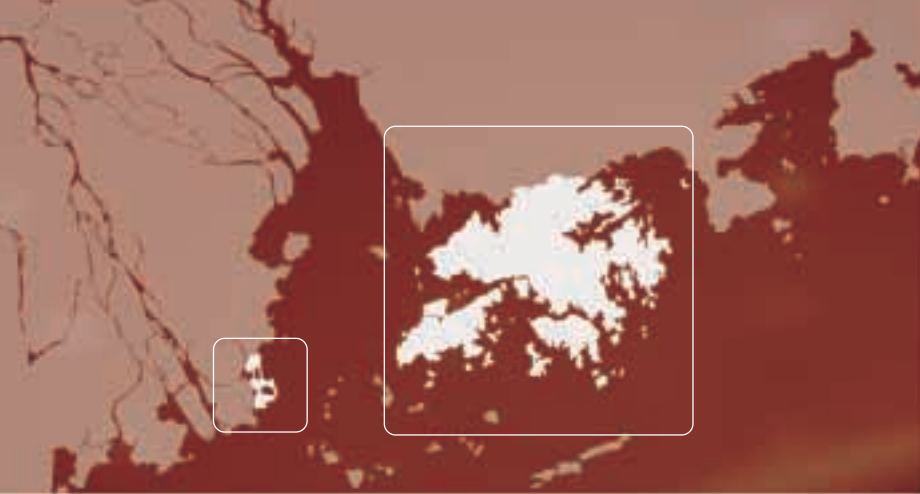
In 2004, our businesses spanned eight markets including Hong Kong, Macau, India, Israel and Thailand. By end of 2005, we also expect to be providing service in Vietnam.

We take pride in being able, through innovation and quality, to rapidly develop our businesses into a leadership position even within highly competitive markets. Given our global buying power, we have been able also to source high-quality network infrastructure at attractive prices to enable the efficient development of our businesses.

Through our 2G GSM, CDMA and GPRS platforms, our customers have access to differentiated services including traditional voice, value added services and innovative data services. In India, we have added EDGE (Enhanced Data GSM Environment) capabilities to our network, which allows the provision of short video clips and enhanced content services. In Thailand, we provide innovative multimedia services over a CDMA2000 1X network that are not available from other service providers there.

Our introduction of 3G services in Hong Kong and Israel has brought customers a rich range of content, covering sports, news, entertainment and finance. We are the first in these two markets to offer person-to-person video calling. With our global buying arrangements with the Hutchison Whampoa Group, we are able to source for our customers an unrivalled range of 3G handset models.

Each of our businesses enjoys access to our global brands, with our principal focus being the "3" family of brands. We use "3" in Hong Kong and the "Hutch" brand with the triangle logos in India, Thailand and Sri Lanka. This family of brands stands for service and technology leadership.



Mobile
Customers
2.2 million

As the largest mobile operator in Hong Kong in terms of customer numbers, we extended our market leadership by becoming the first telecom operator to introduce 3G services in early 2004. We also operate a state-of-the-art fibre-optic fixed line network reaching over 1.2 million households and over 5,000 buildings.



Hong Kong and Macau

Operations Review

Hong Kong & Macau Mobile

We have always been a pioneer in the deployment of multiple mobile technologies in Hong Kong. Cementing this role in the industry, we launched Hong Kong's first ever 3G network in January 2004, taking Hong Kong's mobile industry into a new era in video mobile telecommunications.

Macau's mobile communications industry enjoyed significant growth along with its economic upsurge in 2004. Our roaming revenues recorded a double-digit increase and the growth of our mobile data services was particularly strong, with total SMS usage jumping over 70%.

During the year, we maintained our position as the largest mobile operator in Hong Kong, and together with Macau, provided services to 2.2 million customers as at the end of December 2004.

In Hong Kong we consolidated our three mobile services (3G, GSM Dualband and CDMA services) under the "3" brand, to form the largest group of mobile networks in Hong Kong. Our 3G services are proving to be highly popular providing our customers with a new world of video-based communication, information and entertainment. We have the best 3G network coverage in Hong Kong. With over 1,300 radio stations at the end of 2004, our network provided 99% coverage in the business and populated areas of Hong Kong including full 3G coverage for the MTR Island Line, all traffic tunnels and elevators in key commercial buildings.

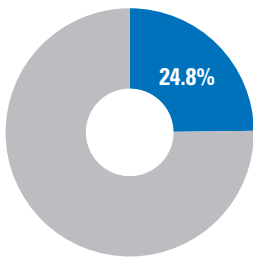
In partnership with world-leading handset manufacturers, we provide the largest array of 3G video mobile phones in Hong Kong. Offering at the end of 2004 13 models, 22 colour choices as well as a unique UMTS/GPRS-enabled data card, we cater for every customer requirement.

Our international "3" roaming is currently available to 227 destinations, with data roaming available to 95 destinations and video roaming to 15 destinations.

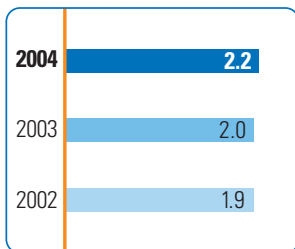
Working closely with over 120 3G content providers from all over the world, we are well-positioned to deliver a rich and diverse portfolio of content. As a result, we offer 33 service channels, and in 2004 were able to introduce a range of video mobile content, for the first time in Hong Kong. Some of these include:

- video calling and video messaging - enabling face to face communications via a 3G phone with friends and business associates, or the sending of video "postcards" to family around the world;
- the latest video infotainment - sports and football highlights, movie previews, music videos, and much more;
- pioneering live video broadcasts and streaming - watching live broadcasts of horse racing, concerts, TV news, real-time traffic updates, etc;
- the latest news and financial information - 24-hour access to real-time local and international news, financial markets and stock market commentaries from leading media organisations, such as TVB, i-CABLE, Bloomberg TV, Reuters, CNN, Phoenix InfoNews, Metro Broadcast and SINA;

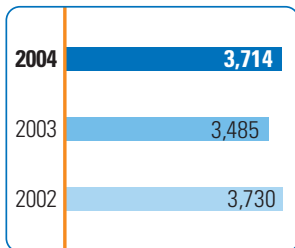
Percentage of contribution to total Group turnover



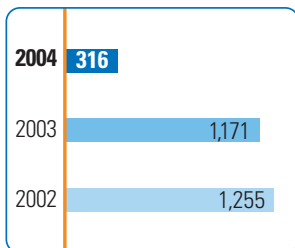
Customers millions



Turnover HK\$ millions



EBITDA HK\$ millions



- exclusive video sports - video sports clips that include highlights of selected football matches from the Barclay's English Premier League in the UK, UEFA Champions League and selected clips of Italian Football League Serie A.
- informative and useful location-based services - a unique location guide providing useful and practical information, with maps, on more than 15,000 points of interest. Locations covered range from entertainment hotspots, restaurants and eateries, to shopping tips and special offers, public transport routes, as well as scenic spots. The unique "Follow Me, Follow U" service also enables customers to track the whereabouts of family, friends and colleagues whenever and wherever they want; and
- diverse music content - the full-version of the latest Canto-pop music videos as well as live broadcasts of concerts and other special events can easily be downloaded onto a 3G mobile phone.

Building on our leadership position in Hong Kong, we will continue to set the benchmark for the market with an even wider variety of handsets, more innovative services, complete 3G coverage and wider roaming destinations.

In Macau, we enhanced the quality of our network with an over 15% increase in the number of cell sites and repeaters and expanded our international roaming coverage in voice and GPRS data.

In 2004, we pioneered a number of services in Macau including:

- *HutchPlus* mobile infotainment service, providing widespread Java applications, as well as information and entertainment content for dualband handset users;
- *1-Card-2-Number Service* for frequent travellers between Hong Kong and Macau. Travellers can enjoy seamless mobile services in both cities under a single monthly service plan, without the need to pay roaming charges in either market;
- *Mobile Tour Guide Service* for tourists who can enjoy voice-based information on major attractions and historical sights in Macau; and
- 24-hour Pre-paid *SIM* Vending Machines installed in major tourist entry points, enabling incoming tourists to buy pre-paid SIM cards and recharge their vouchers.



Operations Review

Hong Kong Fixed

Hutchison Global Communications Holdings Limited (Hutchison Global Communications Group), an integrated telecommunications and information technology company, is listed on the Stock Exchange of Hong Kong, having been formed through the merger of Hutchison Global Communications, PowerCom group and the Vanda Group.

Hutchison Global Communications Group is committed to providing a fibre-optic network that will better serve Hong Kong's needs. Today, we own and operate the largest "fibre-to-the-building" telecommunications network in Hong Kong, with 4,600 kilometres of linear ducting and over 800,000 kilometres of core fibre-optic cable – a length that could go 20 times around the world.

Using this fibre-optic network, we have gained a firm foothold in the local fixed network industry, with the delivery of efficient and reliable services to business and residential customers, schools, hospitals, local community organisations as well as other network carriers. As a result, in 2004, we have enjoyed a year of solid growth despite stiff competition. The number of residential voice lines increased 17% while residential broadband lines grew 47%.

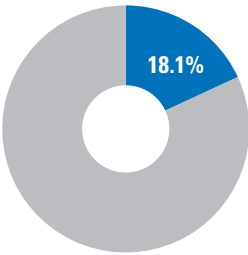
As part of our continuing initiatives to improve services to customers, the Hutchison Global Communications Group is pioneering the integration of traditional and new technologies, including basic telecommunications services with video phones as well as one of the fastest bi-directional residential broadband services available in the market. In 2004, we achieved a number of "firsts", including:

- the introduction of the world's first video communication service between a 3G wireless phone and a desktop video phone;
- becoming the first local fixed telecommunications network operator to establish an interconnection capacity of 22.5 Gbit/s (gigabits per second) between Mainland China and Hong Kong; and
- establishing the world's first inter-Autonomous System International Ethernet network, which transforms traditional local Ethernet connectivity into a powerful multi-point service that extends beyond geographical boundaries.

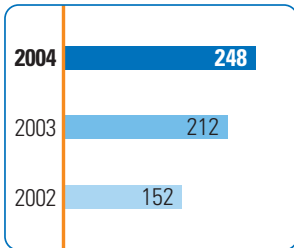
Looking forward, the Hutchison Global Communications Group aims to build on these innovations and offer more efficient and effective services to its customers.



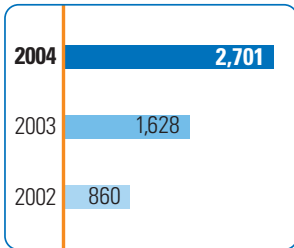
Percentage of contribution to total Group turnover



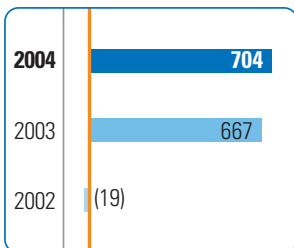
Residential voice lines thousands



Turnover HK\$ millions



EBITDA HK\$ millions





Operating Profits
Increased
100.6%

Growth in India continued to be strong, reflecting the expansion of our customer base and our leadership in the market. In 2004, our total customer number increased 74%.



India

Operations Review

India

With a population of over a billion people, a mobile market penetration of under 5%, and some 19 million people becoming new mobile customers in 2004, India's telecom market continues to provide strong growth potential. Benefiting from these favourable conditions, Hutchison India experienced solid growth during the year. Adding over three million customers to our customer base, the total number of customers grew almost 75% to 7.2 million. Revenue increased 57.7% to HK\$7,093 million.

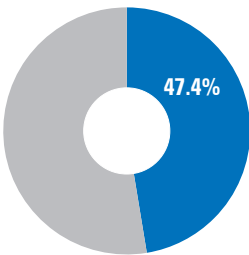
Implementing services into new licence areas, Hutchison India has been strengthening its network in the newly acquired areas of Uttar Pradesh (East), Rajasthan and Haryana since August 2003. Operations also commenced in Punjab, Uttar Pradesh (West) and West Bengal towards the end of 2004. As a result, Hutchison India's licences covered 13 of the 23 licence areas by the end of 2004.

Voice continues to be the main revenue generator in India. However, Hutchison India has also created new revenue opportunities with innovative mobile data services such as:

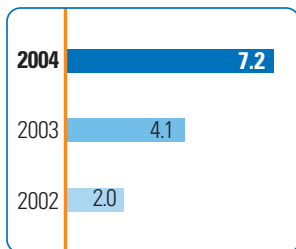
- *Hutch TV*, which allows EDGE (Enhanced Data GSM Environment) phone customers to access video clips of their favourite television programmes, as a result of our partnership with 15 TV channels;
- *Railway Ticketing*. Hutchison India became the first mobile communications operator in the country to allow customers to use their phones, backed by a unique voice recognition system, to book tickets on Indian Railways;
- *Hutch4business*. In partnership with Microsoft®, Hutchison India's corporate customers can now access their Microsoft Outlook email, contacts and calendar functions on their mobile phones. Extending this service, customers can also enjoy services such as "Asset Tracking" and "sms@wrk";
- *MSN Messenger / Hotmail on SMS*. The partnership with MSN allows our customers to access their Hotmail accounts and MSN Messenger on SMS, for the first time in India. Our web portal "Hutchworld" is also managed in close partnership with MSN, who bring their considerable content and web management skills to the site; and
- *Click & Print*. In an exclusive partnership with Kodak®, and in association with Nokia, our customers can now print photos captured on their mobile phones.

The quality of our services is well recognised by our customers and the community. Last year, Hutchison India received the number one rating for customer satisfaction in a survey conducted by a leading Indian market research firm among Indian mobile customers. Our brand advertising also continues to be recognised as amongst the finest and most memorable in the marketplace. In the past two years, Hutchison India received a Bronze Award at the Cannes Lion International Advertising Festival and an award from CNBC's Campaign of the Year. At the ABBY (Advertising Club Bombay) awards, we won the "Creative Advertiser of the Year" award, in addition to three golds and two silvers – including the "Best Continuing Campaign of the Year".

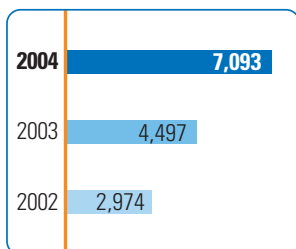
Percentage of contribution to total Group turnover



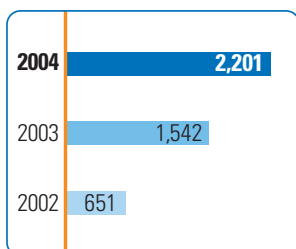
Customers millions

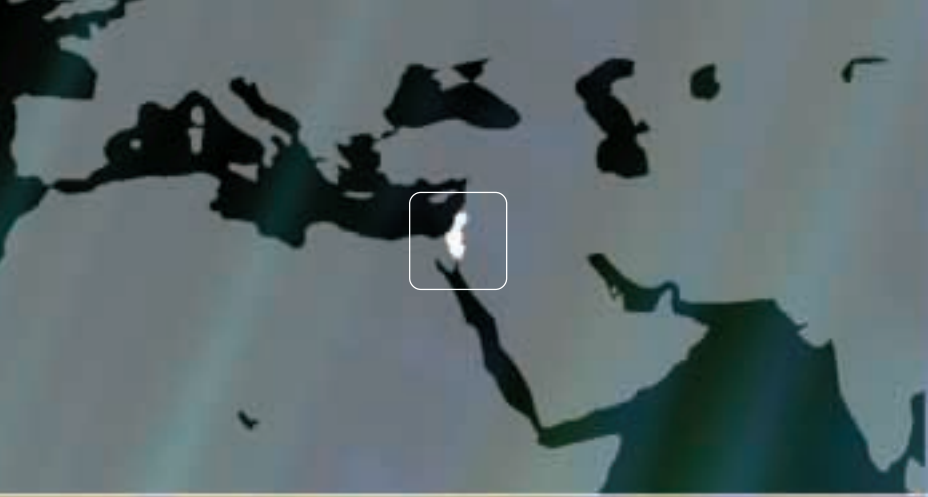


Turnover HK\$ millions



EBITDA HK\$ millions





Customers
2.3 million

Partner continues to leverage its strong brand, quality network and world-class customer services to grow its business.



|srael

Israel

In 2004, our Israeli associate operation, Partner Communications Company Ltd (Partner) achieved strong operating results - its customer base grew to 2.3 million customers, an 11.3% increase over the previous year, while its contribution to the Group's operating profits increased to HK\$755 million, representing a growth of 26.9%.

During the year, Partner cemented its leadership in the local marketplace by launching a complete portfolio of 3G services. Partner also became the only company in Israel to offer person-to-person video call services.

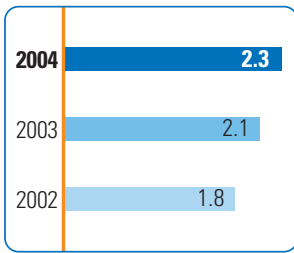
Our 3G services include:

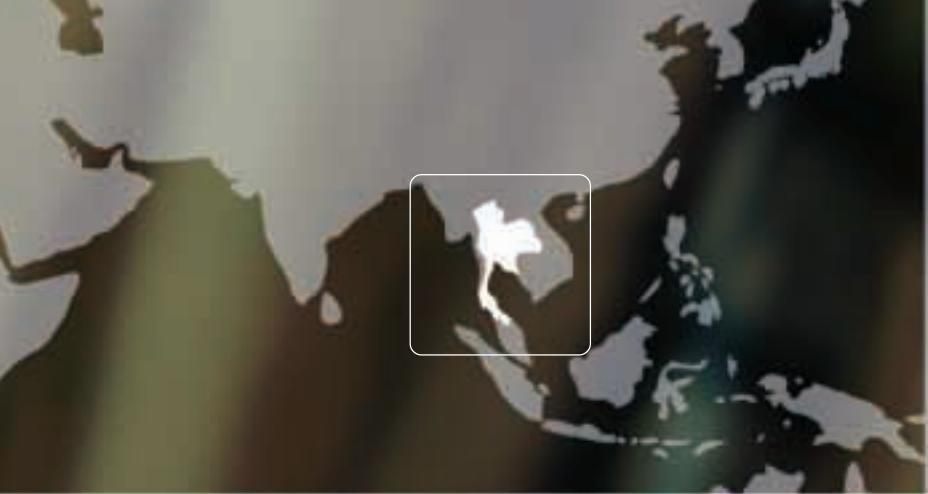
- an advanced portal through which 3G customers can enjoy television clips, daily news, sports highlights, financial market updates, games and entertainment among others;
- secure access to personal information at work from anywhere in the world; and
- a visual voice mail service allowing customers to see and manage their messages without having to call their voice mail.

In a market with an overall mobile telecommunications penetration of close to 100%, Partner is seeking to differentiate itself from the competition not only through the quality of its network and its focused customer services, but also as a leader in technology.

Independent surveys highlight Partner's successes in this direction. These surveys state that Partner's network provides the best quality, based on the rate of dropped calls, voice quality and coverage. Additionally, Orange™ has been named second only to Coca Cola™, in terms of brand equity value, for the past two years in a row, in a survey conducted by Israel's leading business newspaper. Partner's customer services have also won the prestigious Israel Management Institute award for best service in the past three consecutive years.

Customers millions





Customer Base
Increased
174.6%



**We are the only operator in Thailand
providing a high speed multimedia
service in 25 provinces.**



Thailand

Operations Review

Thailand

Hutchison CAT Wireless Multimedia Limited's turnover increased over 2003 by 243.4% to HK\$1,219 million through an increase of customers by 174.6% to 615,000 at the end of 2004.

We provide a CDMA2000 1X service in our licence area in Thailand, enabling customers to enjoy sophisticated, easy to use, high speed multimedia services that are currently unmatched in Thailand. In a country where there is a growing base of young, knowledgeable and proficient technology users, we believe that our interactive and content-based services provide popular differentiation from standard voice-centric services.

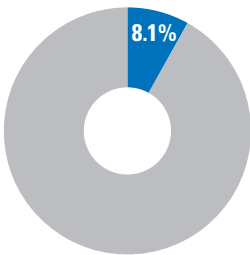
Our cutting edge services and applications are designed to take full advantage of the CDMA2000 1X network:

- NAVI - In January 2004, we introduced an advanced and easy to use A-GPS based navigation system unique to our customers with five exciting services: *Where am I*, *Where are you*, *CarNAVI*, *NearestPlace* and *Map Search*. The services enjoyed a significant take up rate. Following NAVI's success, we will be launching *NAVI Pack 2* in 2005. Corporate customers can also use *Business NAVI*, our Web based solution, providing multiple options for tracking the locations of several users at the same time.
- Brew Applications - We and Qualcomm have successfully promoted BREW™ (Binary Runtime Environment for Wireless™), making it possible for users to customise their mobile phones with just the applications they need and want. Users can choose from a wide range of entertainment applications, select payment options and download these applications on to their mobile handsets.
- Wireless Broadband Services - We launched CDMA wireless broadband devices, AirCard and Hutch Ice PDA Phones to capture the escalating demand for wireless internet applications in Thailand. These products meet customers' mobile needs, allowing internet users to access information at very high speeds and extremely competitive rates. During the year, our latest wireless USB modem *AirPlus* hit the market and for the first time, we distributed this product through Thailand's leading computer and IT distributor, IT City.

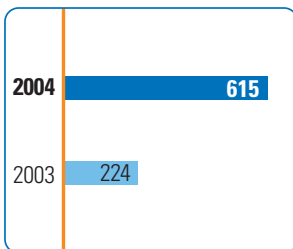
We have also been actively advertising our services, creating The Network Caravan to promote the network and its qualities. Hutch Wireless Broadband Society is another leading-edge multimedia service that provides video mail, movie trailers, music videos and real-time video games with competitive tariff plans.

With the delivery of a comprehensive range of innovative handsets, a network designed to deliver high speed data and multimedia services and our strong brand identity, we are rapidly becoming a popular alternative for mobile telecommunications users in Thailand.

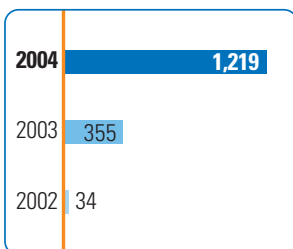
Percentage of contribution to total Group turnover



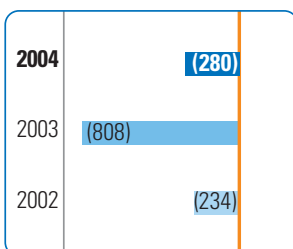
Customers thousands

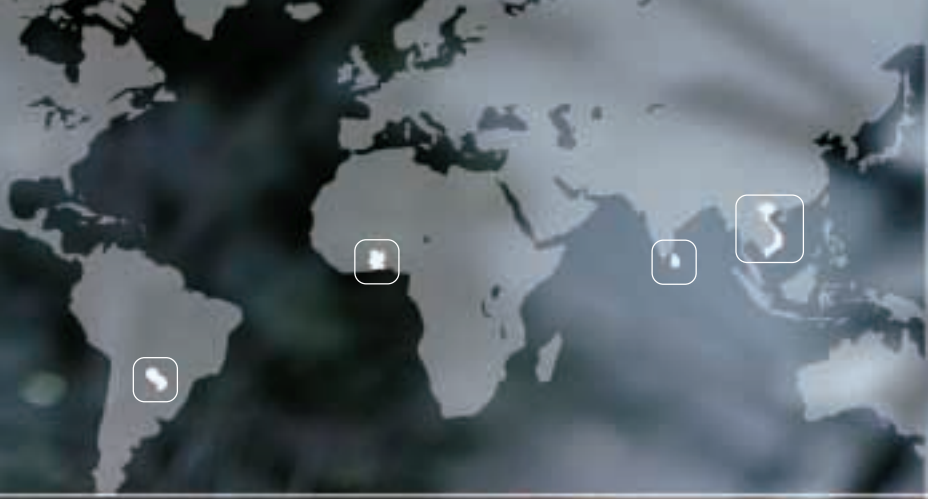


Turnover HK\$ millions



EBITDA HK\$ millions





Combined Turnover
Increased
67.6%



Sri Lanka, Ghana and Paraguay all continued to produce positive results with turnover increasing 67.6% over the previous year. New markets, such as Vietnam will also provide ongoing opportunities to grow and expand our business.



Other Markets

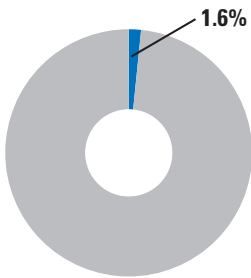
Operations Review

Sri Lanka

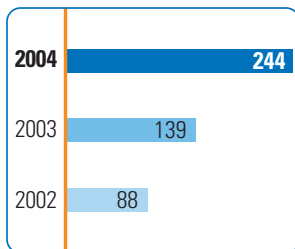
By focusing on acquiring pre-paid customers, Hutchison Lanka increased its customer base in 2004 by 111% over 2003. Turnover grew by more than 29% which enabled us to streamline our internal operations and reduce operating expenses.

As a growth telecommunications market with nation-wide penetration of only 10%, a population of 20 million and a growing economy, Hutchison Lanka is well poised to take advantage of the growth opportunity.

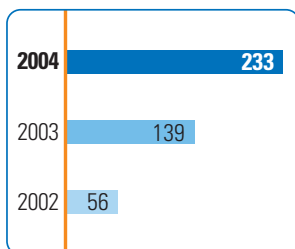
Percentage of contribution to total Group turnover
(Sri Lanka, Ghana & Paraguay)



Customers
(Sri Lanka, Ghana & Paraguay)
thousands



Turnover
(Sri Lanka, Ghana & Paraguay)
HK\$ millions



Ghana

2004 provided a solid year of growth for Kasapa, our business in Ghana, with a 2.6% increase in the customer base and 86% increase in revenue. The country's national penetration of only 8% gives us the opportunity to grow our market share, especially as we convert our analogue cellular system to a CDMA network.

In addition to its traditional voucher cards, Kasapa introduced electronic pre-paid vouchers (printed for each customer) at point of sale terminals during the year. The new lower denominations and their wider availability have improved affordability and provided greater customer convenience.

During the year, Kasapa also launched services in Kumasi, the capital of the Ashanti region and the second largest city in Ghana. This expansion will cover an additional population of over one million people, providing further opportunities for us to grow our existing customer base.

Paraguay

Hutchison Paraguay increased its customer base by 92% and its revenue by over 95% in 2004. With the launch of a pre-paid option for our customers, the expansion of our points of sale locations from 40 to over 1,100, the addition of value added services for customers, and the promotion of new on-net services on Paraguay's first nationwide GSM network, we enjoyed a positive year. We maintained our post-paid and high usage pre-paid customer base, despite robust competition.

While penetration remained stable at 22%, we have been able to grow our business by offering a greater choice of services. In 2004, we built on this ability, strengthening the network and offering services at more accessible locations.

Vietnam

In line with our strategy to expand into emerging telecom markets with low mobile penetration rates, a growing economy and an expanding customer base, we entered into an agreement to extend our activities into Vietnam. In partnership with Hanoi Telecom, we intend to commence operations in late 2005, building a CDMA2000 network in Da Nang, Ho Chi Minh City and Hanoi.

Vietnam has one of the fastest growth economies in Asia. With a population of 82 million and mobile penetration of only about 4%, we believe there will be strong development opportunities for the Group.