

Chairman's Message

During the year ending 31 December 2008 the company saw substantial year on year improvements in EBITDA, EBIT and net loss as operations continued to grow strongly.

Key Financials

In 2008, Hutchison experienced double-digit revenue growth to \$1.6 billion, up \$305 million or 23.1% on the previous year, and an average monthly margin increase to \$96.8 million from \$76.0 million. These strong increases in revenue and margin have resulted in an EBITDA of \$200.0 million, an increase of \$86.0 million on 2007.

The Company also improved its net loss performance, recording a loss of \$163.1 million, a 42.8% improvement on the reported loss in 2007.

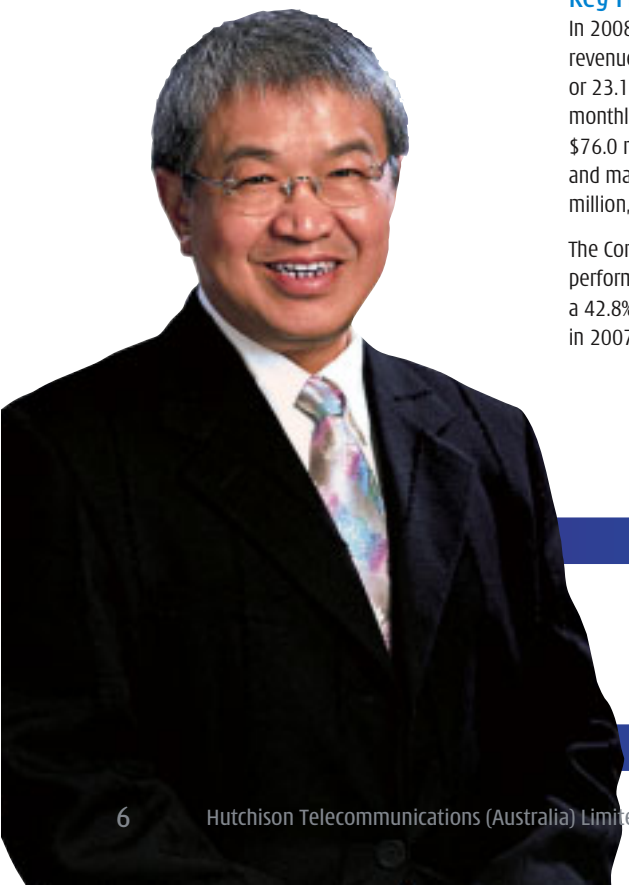
The Company reached two significant milestones in the fourth quarter. First, being EBIT positive and second, achieving a customer base of 2 million in just over five years of full operation.

Following recapitalisation in 2007, finance costs fell by \$56.6 million to \$104.6 million in 2008. With the support of Hutchison Whampoa Limited, the Company repaid \$1.1 billion in external funding in December 2008.

Customer growth continues

Customer growth continued to trend upwards, with a 29% increase in customers to 2.036 million in the year ending 31 December 2008.

Key to achieving this customer growth was the strong sales in Mobile Broadband. Mobile Broadband subscribers reached 526,000, up 169.7% for the year, largely fuelled by competitive data allowance offers and new internet friendly devices brought to market by 3.

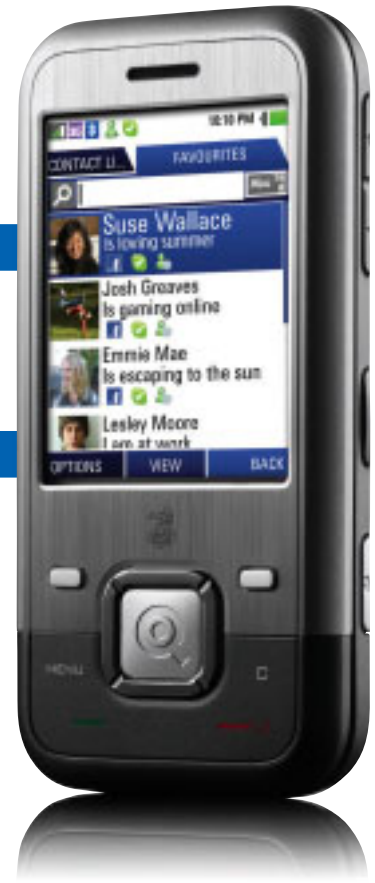


Total revenue
\$1.623 billion

A 23.1% increase on 2007

**42.8% improvement
on net loss**

Net loss of **\$163.1 million**



Innovation continues

Since introducing 3G to Australia in 2003, we have seen many changes in the way customers use their mobile phones. Our leadership in this area continued throughout the year and non-voice services continued to be popular, contributing to pleasing growth in non-voice usage and revenue.

3 continued to bring innovative products and services to its customers. In late 2008, INQ Mobile, a new Hutchison Whampoa company, launched its first mobile, INQ¹, exclusively to 3's customers. INQ¹ is the world's most advanced social networking mobile phone and transforms the mobile social networking experience. It was recently awarded 'Best Mobile Handset or Device' by GSMA and won the award over four other shortlisted contenders including the Nokia E71, T-Mobile G1, RIM BlackBerry Storm and LG KS360.

Looking ahead

In 2008, we continued to see further growth in the 3G market. As we enter the year in a strong position as a value leader, we expect continued growth in 2009 and further improvements to the Company's financial position.

Our leadership in non-voice services, particularly mobile broadband, will continue to be a focus in 2009 as 3's coverage is extended to 96% of the population during the first half of 2009.

This strong and consistent performance has enabled Hutchison to enter an agreement for a proposed 50-50 joint venture with Vodafone Australia. On 9 February 2009, Hutchison and Vodafone announced their intention to merge their Australian telecommunications businesses (3 and Vodafone Australia). The new company will market its products and services using Vodafone as the lead brand and will retain exclusive rights to use the 3 brand in Australia.

The proposed merger is subject to shareholder, ACCC and Foreign Investment Review Board approval.

The transaction is expected to enhance the Company's adjusted earnings per share from the first full year post completion, after synergies and excluding the impact of intangible asset amortisation and one-off costs.

A handwritten signature in black ink, appearing to read 'Fok Kin-ning', is written over a thin horizontal line.

Fok Kin-ning, Canning
Chairman