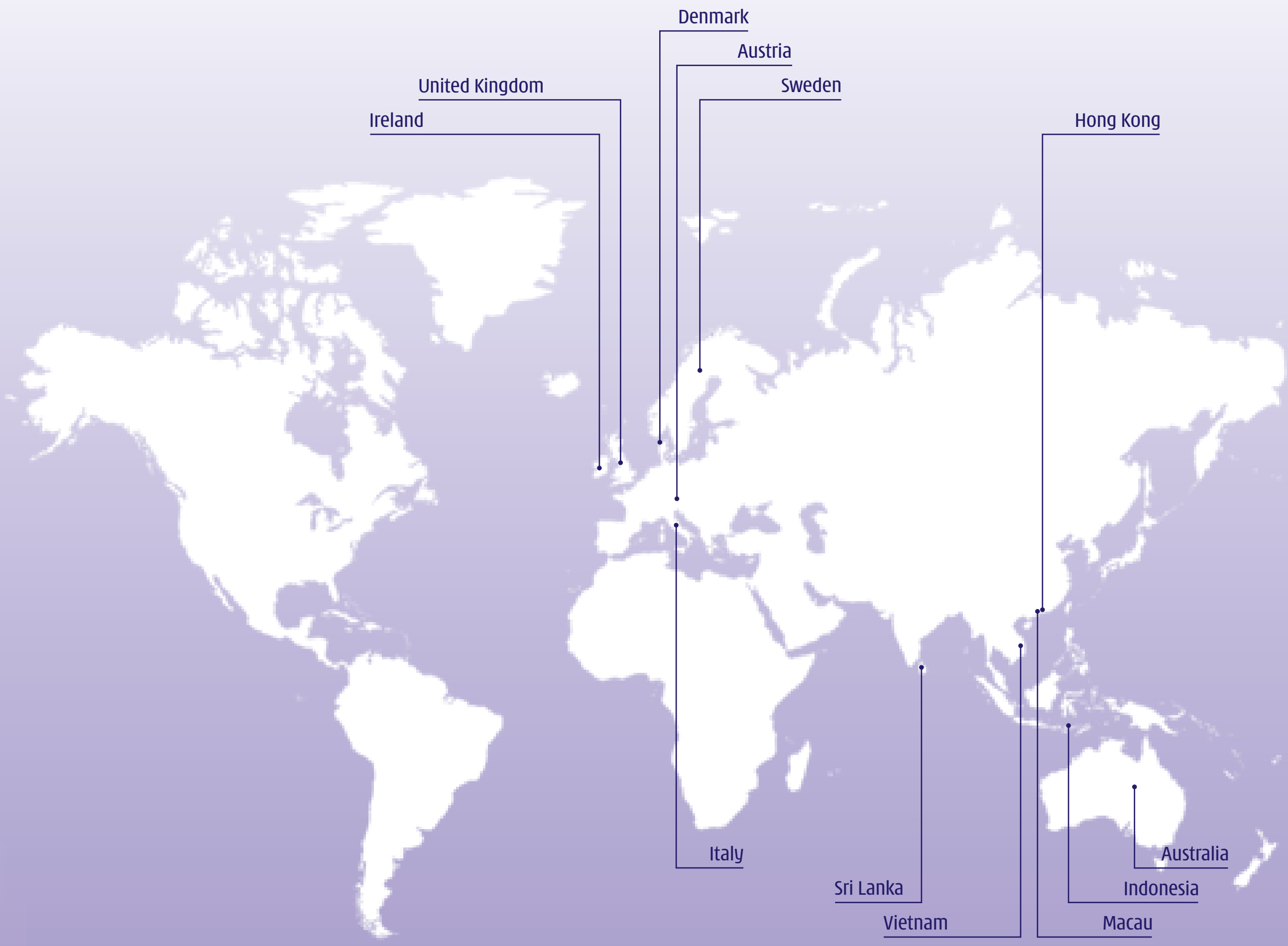
Telecommunications

The Group's telecommunications division consists of a 65.01% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), which is listed on SEHK, Hutchison Asia Telecommunications ("HAT"), an 87.87% interest in the Australian Securities Exchange listed HTAL and **3** Group businesses in Europe ("**3** Group Europe"). HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau, as well as fixed-line operations in Hong Kong. HAT holds the Group's interests in the mobile operations in Indonesia, Vietnam and Sri Lanka. HTAL owns a 50% share in VHA. **3** Group Europe is a pioneer of high-speed mobile telecommunications and mobile broadband technologies with businesses in six countries across Europe.

HTHKH sees robust demand for smart devices and data services in Hong Kong.



- HTHKH announced profit attributable to shareholders of HK$1,227 million, a 20% increase over last year.
- HAT's EBITDA turned around by 398% and LBIT improved by 28%.
- 3 Group Europe's total revenue, EBITDA and EBIT increased 3%, 15% and 101% respectively.
- 3 Group Europe's registered customer base totals over 23.5 million as at 31 December 2012.

Hutchison Telecommunications Hong Kong Holdings

	2012 HK$ millions	2011 HK$ millions	Change
Total Revenue	**15,536**	13,407	**+16%**
EBITDA	**3,062**	2,616	**+17%**
EBIT	**1,756**	1,435	**+22%**

Hutchison Global Communications' international business segment explores new markets and extends network reach.

HTHKH announced its 2012 turnover of HK$15,536 million and profit attributable to shareholders of HK$1,227 million, a 16% and a 20% increase respectively over last year. EBITDA of HK$3,062 million and EBIT of HK$1,756 million increased 17% and 22% respectively over last year. HTHKH contributed 4% to the total revenue and 3% to each of the EBITDA and the EBIT of the Group's businesses.

The mobile operations in Hong Kong and Macau achieved a 19% increase in combined turnover to HK$12,383 million in 2012 compared to HK$10,406 million in 2011, while EBITDA and EBIT improved by 23% and 25% respectively. The improved results were mainly due to continued customer demand for data services and stronger sales of smartphones. The combined mobile customer base, on an active basis, was over 3.7 million as at 31 December 2012, representing an 8% increase over last year.

The fixed-line telecommunications business in Hong Kong continues to achieve steady growth with increasing data traffic across all market segments in Hong Kong, reporting a 7% increase in turnover to HK$3,640 million in 2012 compared to HK$3,403 million in 2011, while EBITDA and EBIT improved by 3% and 5% respectively.

Hutchison Asia Telecommunications

	2012 HK$ millions	2011 HK$ millions	Change
Total Revenue	**4,452**	2,332	**+91%**
EBITDA (LBITDA)	**423**	(142)	**Turnaround of +398%**
LBIT	**(846)**	(1,181)	**+28%**

HAT consists of the Group's mobile operations in Indonesia, Vietnam and Sri Lanka. HAT contributed 1%, 0.5% and a negative 1% respectively to the total revenue, EBITDA and EBIT of the Group's businesses. Total revenue increased 91% over last year mainly due to the expanded networks and enhanced service offerings across its operations, particularly in Indonesia. EBITDA and LBIT in 2012 include HK$1,590 million compensation contributions (2011: HK$1,270 million) and 2011 included a gain of HK$463 million on the disposal of the Thailand operation. At 31 December 2012, HAT had a mobile customer base of over 40.3 million, representing an 18% increase over last year.

In Indonesia, the business continues to grow and now serves Java, Bali, Lombok, Sumatra, Kalimantan and Sulawesi, covering 84% of the population of the country. The customer base at the end of 2012 increased 34% from last year and the underlying LBITDA and LBIT, improved by 28% and 8% respectively, reflecting a higher contribution from the increased customer base.

In Vietnam, the customer base decreased by 9% over last year due to a clean-up of inactive customers, however underlying EBITDA represents a 142% turnaround from a corresponding LBITDA last year, while underlying LBIT improved by 84% as a result of the retention of higher quality customers and cost control.

In Sri Lanka, although the customer base increased 21% compared to last year, underlying LBITDA and LBIT increased by 42% and 27% respectively as a result of regulatory changes in the operating environment that restricts offerings of competitive pricing in the market.

Hutch Telecom Lanka launches its 3G service in April 2012.

HTAL, share of VHA

	2012 AUD millions	2011 AUD millions	Change
Announced Total Revenue	**2,049**	2,297	**-11%**
Announced EBITDA	**177**	313	**-43%**
Announced Loss Attributable to Shareholders	**(394)**	(168)	**-135%**

HTAL announced total revenue and EBITDA attributable from its share of 50% owned associated company, VHA, of A$2,049 million and A$177 million, an 11% and 43% decrease respectively over last year, and a loss for the year attributable to shareholders of A$394 million, an increase of 135%. HTAL's active customer base declined 6% from 31 December 2011 to total approximately 6.6 million at 31 December 2012. These declines were due to the continued poor brand perception. VHA is undergoing a shareholder-sponsored restructuring under the leadership of Vodafone under the applicable terms of our shareholders' agreement. The Group's share of VHA's operating losses and its share of certain network closure cost and restructuring costs in the second half are reflected as a charge in 2012 within profits on disposal of investments and others.

Significant investment in building and upgrading VHA's network was made in 2012 to enhance its network stability, with particular focus on voice and data performance, resiliency and coverage. Although continuing losses are anticipated in 2013, the restructuring plan currently being executed by VHA's management is expected to stabilise the declining customer base and streamline its operating cost structure. Improvements in both operating and financial performance are expected throughout 2013 and into 2014. VHA will continue to improve and upgrade its network and plans to roll-out an LTE network in 2013.

3 Group Europe

	2012 HK$ millions	2011 HK$ millions	Change
Total Revenue	**58,708**	56,877	**+3%**
EBITDA [(1)]	**9,213**	8,031	**+15%**
EBIT [(1)]	**3,145**	1,567	**+101%**
Capex [(2)]	**11,346**	8,170	**-39%**
EBITDA less Capex [(3)]	**(2,133)**	(139)	**-1,435%**

Note 1: EBITDA represents the operational results excluding one-time items and is stated after all customer acquisition costs and retention costs ("CACs"). One-time items included in EBIT in 2012 represents a HK$447 million one-time net gain from a network sharing arrangement in Ireland. 2011 includes a one-time net gain of HK$457 million in relation to **3** Italia's licence spectrum benefit, net of certain provisions.

Note 2: In addition to the capital expenditure shown above, the Group has recognised spectrum licences totalling HK$2,253 million in 2012 (2011: HK$2,810 million).

Note 3: **3** UK, **3** Sweden, **3** Denmark and **3** Austria each achieved positive EBITDA after capex.

In local currencies, growth in total revenue, EBITDA and EBIT for the year were 8%, 19% and 105% respectively. **3** Group Europe contributed 15%, 11% and 5% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

	2012 HK$ millions	2011 HK$ millions	Change
Net Customer Service Revenue	**41,962**	44,295	**-5%**
Handset Revenue	**14,750**	11,464	**+29%**
Other Revenue	**1,996**	1,118	**+79%**
Total Revenue	**58,708**	56,877	**+3%**

In 2012, **3** Group Europe continued to grow its customer and revenue bases. **3** Group Europe's ARPU, including the monthly contribution for a handset / device in postpaid contract bundled plans, on a 12-month trailing average active customer basis, decreased by 1% to €23.90 compared to 2011, primarily due to further regulated interconnection rate reductions in the UK and Italy. Net customer service revenue, excluding the contribution for a handset / device in postpaid contract bundled plans, decreased by 5% mainly due to the higher number of customers in the Group's 2012 customer base for whom revenue is recognised on the basis of a non-subsidised handset model and the rate reductions mentioned above. Despite the decrease in net customer service revenue, **3** Group Europe's total revenue continued to increase resulting from the increased sales of smartphone products.

3 Group Europe's registered customer base grew 9% during the year to total over 23.5 million at 31 December 2012, reflecting continued customer growth across all operations in Europe. The proportion of active customers in the **3** Group Europe customer base was approximately 79%, up three percentage points from the end of 2011, while the active contract customer base remained stable at 97%. The revenue generated by contract customers accounted for approximately 86% of overall net customer services revenue, 1% higher than last year. The proportion of contract customers as a percentage of the registered customer base has increased from 51% last year to 56% at the end of 2012. Management continues to focus on managing churn and the average monthly customer churn rate of the contract customer base was 1.7% in 2012, an improvement from 1.9% in 2011.

3 Group Europe (continued)

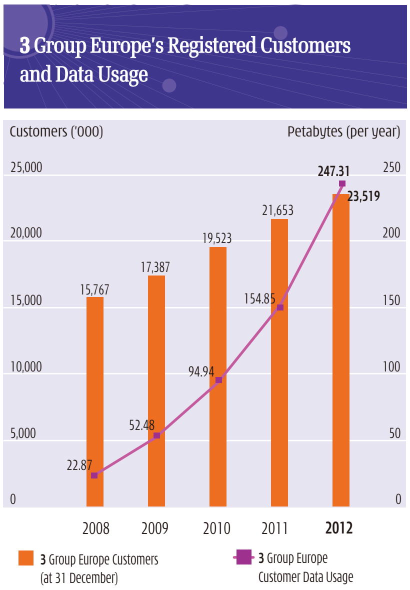
With the increasing penetration and popularity of smartphones, demand for data usage and transmission speed continues. The majority of the **3** Group Europe operations achieved a leading position in increasing market share in their respective countries' smartphone and mobile broadband access segments during the year, through continuing to deliver good customer usage experience supported by enhanced networks and providing competitively priced services. Various awards in network excellence were received during the year, such as **3** UK currently being rated the number one network for smartphones, iPhones and 3G tablets as well as the best network for mobile broadband for nine consecutive quarters by "YouGov". **3** UK also won "uSwitch"'s best network award in 2012 for the second year running and **3** Austria was also the winner of "Connect" magazine's network tests for two consecutive years, coming out best in 13 out of 17 test categories including data on smartphones and mobile broadband.

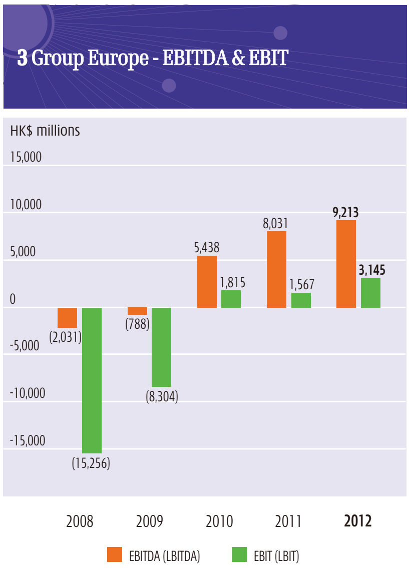
The spectrum awarded in the recent auctions in the UK and Ireland, together with network roll-out plans in Italy, Austria and the Scandinavian operations, will enable **3** Group Europe to continue upgrading its existing network to ultra fast speeds and enhance its network capacity to cater for the data usage demand from its enlarged smartphone and mobile broadband customer base.

Growth of higher margin non-voice revenues continued to be a key focus for **3** Group Europe in 2012. Average non-voice revenue per active user as a percentage of ARPU for 2012 increased to 47%, compared to 45% in 2011. At 31 December 2012, approximately 6.1 million customers, representing 26% of the total **3** Group Europe customer base, have mobile broadband access, an increase of 8% from last year. Total data usage reached 247petabytes in 2012, an increase of 60% compared to last year. In addition, the growth in non-voice revenues is also supported by the popularity of smartphones across the markets in which **3** Group Europe operates, resulting in an 18% increase in total contract smartphone customers acquired in 2012 compared to 2011. Total contract smartphone customers added during 2012 represents around 61% of the total contract customers acquired in the year.

CACs, before accounting for handset revenue in postpaid contract bundled plans, totalled HK$22,427 million in 2012, 14% higher than 2011 mainly due to the increased proportion of smartphone customers acquired and retained during the year. CACs, after accounting for handset revenue in postpaid contract bundled plans, totalled HK$7,677 million in 2012, 6% lower than in 2011. Unit cost to acquire[1] averaged €48 per customer, 4% lower than in 2011.

EBITDA and EBIT growth reflected the increased contributions from the enlarged customer base, benefitting from the lowering of mobile termination rates on outgoing calls in the UK and Italy during the second half of 2012, cost savings from outsourcing activities and network sharing arrangements, stringent cost controls and effective working capital management.





Note 1: This is stated after revenue contributions for a handset / device in postpaid contract bundled plans. The Group does not provide any subsidy on handsets / devices to non-contract prepaid customers.

Segment Performance

Key Business Indicators

	Customer Base					
	Registered Customers at 31 December 2012 ('000)			Registered Customer Growth (%) from 31 December 2011 to 31 December 2012		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
United Kingdom	3,789	5,263	**9,052**	+2%	+18%	**+11%**
Italy	5,178	4,352	**9,530**	-10%	+26%	**+4%**
Sweden	169	1,384	**1,553**	+5%	+15%	**+13%**
Denmark	217	637	**854**	+42%	+1%	**+9%**
Austria	555	1,156	**1,711**	+53%	+17%	**+27%**
Ireland [1]	448	371	**819**	-6%	+14%	**+2%**
3 Group Europe Total	10,356	13,163	**23,519**	-2%	+19%	**+9%**

	12-month Trailing Average Revenue per Active User ("ARPU") [2] to 31 December 2012					
	Total				Non-voice	
	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2011	**ARPU**	% of total ARPU
United Kingdom	£6.89	£27.75	**£21.19**	-3%	**£10.10**	48%
Italy	€7.31	€27.49	**€18.44**	-7%	**€8.14**	44%
Sweden	SEK101.41	SEK313.40	**SEK298.90**	-3%	**SEK125.34**	42%
Denmark	DKK142.47	DKK236.40	**DKK216.08**	-18%	**DKK115.64**	54%
Austria	€9.98	€24.19	**€22.57**	+1%	**€10.57**	47%
Ireland	€16.96	€39.67	**€32.22**	+4%	**€18.12**	56%
3 Group Europe Average	€8.50	€31.41	**€23.90**	-1%	**€11.12**	47%

Note 1: **3** Ireland's number of prepaid customer reduced by 6% due to the removal of inactive customers from its registered customer base. This has resulted in the percentage of active customers increasing from 50% as at 31 December 2011 to 58% as at 31 December 2012.

Note 2: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset / device in postpaid contract bundled plans, divided by the average number of active customers during the period, where an active customer is one that has generated revenue from an outgoing call, incoming call or 3G service in the preceding three months.

United Kingdom

	2012 GBP millions	2011 GBP millions	Change
Total Revenue	**1,948**	1,787	**+9%**
- Net customer service revenue	**1,347**	1,311	**+3%**
- Handset revenue	**586**	463	**+27%**
- Other revenue	**15**	13	**+15%**
EBITDA	**281**	191	**+47%**
EBIT	**101**	30	**+237%**
Capex	**250**	253	**+1%**
EBITDA less Capex	**31**	(62)	**+150%**

	2012	2011
Total registered customer base (millions)	**9.1**	8.1
Contract customers as a % of the total registered customer base	**58%**	55%
Contract customers' contribution to the net customer services revenue base (%)	**87%**	86%
Average monthly churn rate of the total contract registered customer base (%)	**1.5%**	1.7%
Active contract customers as a % of the total contract registered customer base	**97%**	97%
Active customers as a % of the total registered customer base	**81%**	79%

Included in the total registered customer base was over 2.5 million mobile broadband customers, a 4% increase from 2011. Despite a decline in ARPU from the adverse impact of the regulated interconnection rate reductions, **3** UK's total revenue increased 9% during the year to £1,948 million, reflecting the higher customer base and higher smartphone sales. EBITDA of £281 million and EBIT of £101 million increased 47% and 237% respectively from last year mainly due to the growth in the customer base as well as improved gross margins and lower customer acquisition and retention costs.

3 UK successfully acquired 2x5 MHz of 800 MHz spectrum in the recent auction held in the UK at a cost of £225 million to build an LTE network with services expected to be launched later in 2013.

3 UK, which has just acquired 4G (LTE) spectrum, is the fastest growing mobile operator in the UK.

Italy

	2012 EUR millions	2011 EUR millions	Change
Total Revenue	**1,965**	1,782	**+10%**
- Net customer service revenue	**1,457**	1,512	**-4%**
- Handset revenue	**406**	204	**+99%**
- Other revenue	**102**	66	**+55%**
EBITDA	**264**	257	**+3%**
EBIT	**0.5**	6	**-92%**
Capex [(1)]	**562**	320	**-76%**
EBITDA less Capex	**(298)**	(63)	**-373%**

Note 1: In addition to the capital expenditure shown above, **3** Italia has recognised spectrum licences totalling €169 million in 2012 (2011: €186 million).

	2012	2011
Total registered customer base (millions)	**9.5**	9.1
Contract customers as a % of the total registered customer base	**46%**	38%
Contract customers' contribution to the net customer services revenue base (%)	**82%**	79%
Average monthly churn rate of the total contract registered customer base (%)	**2.3%**	2.6%
Active contract customers as a % of the total contract registered customer base	**95%**	96%
Active customers as a % of the total registered customer base	**74%**	70%

The Group had a 97.4% interest in **3** Italia at 31 December 2012. Included in the total registered customer base was approximately 2.0 million mobile broadband customers, an 18% increase over 2011. Despite the adverse economic environment, **3** Italia's total revenue increased 10% to €1,965 million in 2012 mainly due to the higher smartphone sales. EBITDA of €264 million represents a 3% increase from last year resulting from stringent cost controls, benefitting from the renegotiation of certain network service contracts and from the mobile termination rate reduction on outgoing calls in the second half of 2012. EBIT of €0.5 million was a €5.5 million reduction from last year mainly due to the inclusion of a one-off net gain of €41 million recognised in 2011, partially offset by savings in depreciation and amortisation.

Sweden

	2012 SEK millions	2011 SEK millions	Change
Total Revenue	**5,981**	5,641	**+6%**
- Net customer service revenue	**3,941**	4,190	**-6%**
- Handset revenue	**1,663**	1,320	**+26%**
- Other revenue	**377**	131	**+188%**
EBITDA	**1,648**	1,766	**-7%**
EBIT	**1,065**	1,171	**-9%**
Capex [(1)]	**1,103**	651	**-69%**
EBITDA less Capex	**545**	1,115	**-51%**

Note 1: In addition to the capital expenditure shown above, **3** Sweden has acquired spectrum licences totalling SEK759 million in 2011.

	2012	2011
Total registered customer base (millions)	**1.6**	1.3
Contract customers as a % of the total registered customer base	**89%**	88%
Contract customers' contribution to the net customer services revenue base (%)	**97%**	97%
Average monthly churn rate of the total contract registered customer base (%)	**1.4%**	1.7%
Active contract customers as a % of the total contract registered customer base	**100%**	100%
Active customers as a % of the total registered customer base	**95%**	95%

In Sweden, where the Group has a 60% interest in its **3** Group Europe operations, mobile broadband customers grew 11% to approximately 435,000. Total revenue increased 6% to SEK5,981 million in 2012 primarily due to the growth in customer base and higher demand for smartphone products. EBITDA and EBIT in 2012 were SEK1,648 million and SEK1,065 million, a decrease of 7% and 9% respectively from last year due to the pending completion of the transition to a non-subsidised handset model in its customer base.

3 Denmark launches 4G (LTE) technology in its capital.

Denmark

	2012 DKK millions	2011 DKK millions	Change
Total Revenue	**2,098**	2,355	**-11%**
- Net customer service revenue	**1,837**	1,964	**-6%**
- Handset revenue	**190**	375	**-49%**
- Other revenue	**71**	16	**+344%**
EBITDA	**663**	595	**+11%**
EBIT	**398**	360	**+11%**
Capex	**349**	222	**-57%**
EBITDA less Capex	**314**	373	**-16%**

	2012	2011
Total registered customer base	**854,000**	782,000
Contract customers as a % of the total registered customer base	**75%**	80%
Contract customers' contribution to the net customer services revenue base (%)	**84%**	90%
Average monthly churn rate of the total contract registered customer base (%)	**3.4%**	3.0%
Active contract customers as a % of the total contract registered customer base	**100%**	100%
Active customers as a % of the total registered customer base	**99%**	99%

In Denmark, where the Group also has a 60% interest in its **3** Group Europe operations, mobile broadband customers grew 9% to approximately 319,000 at 31 December 2012. Due to a decline in the incoming mobile termination rates and intense price competition, total revenue decreased 11% to DKK2,098 million in 2012 despite the enlarged customer base. Both EBITDA of DKK663 million and EBIT of DKK398 million increased 11% from last year mainly due to improved service margins and cost controls.

3 Austria completes its acquisition of Orange Austria in January 2013.

Austria

	2012 EUR millions	2011 EUR millions	Change
Total Revenue	**361**	321	**+12%**
- Net customer service revenue	**242**	222	**+9%**
- Handset revenue	**100**	92	**+9%**
- Other revenue	**19**	7	**+171%**
EBITDA	**50**	36	**+39%**
EBIT	**16**	2	**+700%**
Capex	**26**	25	**-4%**
EBITDA less Capex	**24**	11	**+118%**

	2012	2011
Total registered customer base (millions)	**1.7**	1.3
Contract customers as a % of the total registered customer base	**68%**	73%
Contract customers' contribution to the net customer services revenue base (%)	**93%**	95%
Average monthly churn rate of the total contract registered customer base (%)	**0.2%**	0.3%
Active contract customers as a % of the total contract registered customer base	**99%**	99%
Active customers as a % of the total registered customer base	**78%**	80%

Included in the total registered customer base was approximately 519,000 mobile broadband customers, in line with 2011. Total revenue increased 12% to €361 million mainly due to the enlarged customer base and an increase in demand for smartphone products. EBITDA of €50 million and EBIT of €16 million increased 39% and 700% respectively from last year mainly due to the revenue growth.

In January 2013, **3** Austria completed its acquisition of a 100% interest in Orange Austria and a subsequent onward sale of the Yesss! brand and certain other assets to Telekom Austria Group. The combined operations will generate incremental revenues, which together with operational synergies and efficiencies, should result in substantial increases in **3** Austria's contribution in 2013.

Ireland

	2012 EUR millions	2011 EUR millions	Change
Total Revenue	**174**	150	**+16%**
- Net customer service revenue	**141**	114	**+24%**
- Handset revenue	**30**	35	**-14%**
- Other revenue	**3**	1	**+200%**
LBITDA	**(19)**	(28)	**+32%**
LBIT	**-**	(54)	**+100%**
Capex [(1)]	**39**	47	**+17%**
LBITDA less Capex	**(58)**	(75)	**+23%**

Note 1: In addition to the capital expenditure shown above, **3** Ireland has acquired spectrum licences totalling €51 million in 2012.

	2012	2011
Total registered customer base	**819,000**	804,000
Contract customers as a % of the total registered customer base	**45%**	41%
Contract customers' contribution to the net customer services revenue base (%)	**79%**	82%
Average monthly churn rate of the total contract registered customer base (%)	**1.2%**	1.3%
Active contract customers as a % of the total contract registered customer base	**82%**	85%
Active customers as a % of the total registered customer base	**58%**	50%

Included in the total registered customer base was over 288,000 mobile broadband customers, a 1% increase from 2011. **3** Ireland's total revenue increased 16% to €174 million in 2012 reflecting the higher customer base and higher smartphone sales. LBITDA of €19 million represented a 32% improvement mainly due to an increase in revenue and lower customer acquisition and retention costs. Breakeven EBIT was a 100% improvement over last year mainly due to a one-time net gain of €45 million from a network sharing arrangement, which included a benefit of €206 million arising from a right to share another Irish operator's mobile network, partially offset by €161 million mainly related to the restructuring of **3** Ireland's network infrastructure.