

Companies Announcements Office

Australian Securities Exchange

Date 4 May 2011

Subject: Annual General Meeting Speeches

Please find attached the speeches to be made at the Annual General Meeting of the Company this morning.

Yours faithfully



Louise Sexton
Company Secretary

**Hutchison Telecommunications Australia Limited
2010 Annual General Meeting
May 4th 2011**

Chairman's Address

Good morning ladies and gentlemen.

It gives me great pleasure that Hutchison Telecoms reported a 2010 profit of \$73.4 million, an increase of \$193.0 million from 2009, excluding the gain on merger. This is particularly positive as 2010 was the first full calendar year of Vodafone Hutchison Australia, in which we have a 50% interest.

The performance of VHA was in line with our expectations as outlined at the time of the merger with Vodafone Australia in June 2009. This is a significant step towards realising the benefits of the merger for our investment in VHA.

2010 was a year of significant achievement, with good customer and revenue growth, margin improvement and the continued realisation of integration savings.

Our share of VHA's underlying customer revenues and margins improved considerably compared to the previous year. Our share of total revenue was up 18% to \$2.41 billion, with operating margin increasing by 22% to \$1.69 billion. Our share of EBITDA increased 172% to \$476 million.

A \$3 billion refinancing package was secured in June 2010, with a syndicate of local and international banks. This has placed VHA in a good funding position to support the business going forward. Servicing external debt, investing in the network and funding growth are the priorities for VHA at this time. No dividend has been declared by HTAL.

The Board is confident that the results to date demonstrate that a solid foundation has been laid for the new combined business. In line with the 3 Group globally I expect VHA to continue to make a positive EBIT contribution, and to remain cash flow positive.

I am confident that management remain on track to deliver the merger synergies of \$2 billion net present value that we committed to at the time of the merger.

Hutchison Telecoms is supportive of the work under way with the NBN Co to make the most of the National Broadband Network. For VHA the NBN provides the opportunity to create value through a significant base station access relationship, and potentially to expand its products and services to Australian consumers. The experience of the 3 Group elsewhere in the world has shown that government initiatives such as this can be very productive.

I would like to thank my fellow Hutchison Telecoms directors and the VHA leadership and staff for their contribution to the success of the company.

I now ask the Chief Executive Officer of Vodafone Hutchison Australia, Nigel Dews, to take you through an overview of VHA's operating performance and outlook.

**Hutchison Telecommunications Australia Limited
2010 Annual General Meeting
May 4th 2011**

Vodafone Hutchison Australia CEO's Address

Good morning ladies and gentlemen.

I am pleased to have the opportunity to expand on the strong financial performance of Vodafone Hutchison Australia in 2010 that Canning Fok has already outlined.

The results reflect our progress towards creating a company that is stronger, more competitive, more sustainable, and with greater ability to invest in the technologies that our capital-intensive business requires.

Our results demonstrate good growth in customer numbers, revenue and profitability.

We added 681,000 customers in 2010, closing the year with 7.6 million customers. Our postpaid handset growth was particularly strong at 11.5% year-on-year.

VHA achieved double-digit service revenue growth, at just over 16.8%. This brought our total service revenue last year to \$4.4 billion, with \$952 million of EBITDA generated as a result.

Importantly, our EBITDA as a percentage of service revenue has risen to 21.6%, up from 9.3% in 2009. During the same period, Telstra and Optus have both reported declining profitability by this measure.

Our Average Revenue Per User (ARPU) was stable at \$54, despite the competitive market environment.

In 2010, we saw big increases in smartphone demand and penetration. And we continued to innovate with a range of new products. Mobile data use grew four-fold, and well over 90% of our network traffic was data.

VHA exited the year operating free cash flow positive.

The profitable growth achieved in 2010 was driven by revenue and margin growth and realisation of integration savings.

We also delivered a reduction in acquisition cost per connection, as well as lower national roaming costs as we began to optimise the use of our combined assets.

We continued to lead the market with the best value plans, introducing free on-net calling between Vodafone and 3 customers, and launching Vodafone postpaid Infinite plans. We also launched our prepaid loyalty scheme, 'Bonus Bank'.

Our value leadership was acknowledged with two Money Magazine 'Best of the Best' awards for great value Mobile Broadband and Postpaid propositions.

Our high profile sponsorships of Vodafone McLaren Mercedes in the F1 Grand Prix, and TeamVodafone V8 Supercars, continued. We also successfully transitioned the Australian Test Cricket Team sponsorship to the Vodafone brand.

We had a number of network and service challenges at the end of 2010 and early 2011. These challenges, combined with the intensely competitive market, have impacted our growth, although our postpaid base has remained stable in the first quarter of 2011.

To address the network challenges, we have accelerated plans to upgrade the entire, existing Vodafone network and build new sites to improve coverage, data capacity and speed. By the end of 2011, total spend on the network since the merger will exceed \$1 billion. This will have a significant, positive impact on customer experience.

That investment includes building a new 850 MHz 3G network. By the end of 2011, 1,500 new 850 sites will provide more in-building coverage and additional capacity where data demand from customers on smartphones and mobile broadband continues to grow.

We are about one-third of the way through our 850 MHz network rollout. We have already installed 850MHz equipment at more than 550 sites, and this equipment is now carrying just over 20% of our 3G traffic. In upgraded areas, we are now seeing greatly improved data throughput speeds, call set-up success and call completion rates.

By July, we will switch on a further 220 new 850MHz sites. And with over 700 additional sites scheduled for deployment by the end of the year, our data throughput, in-building coverage and call quality will continue to improve throughout the country.

We are also in the process of adding 1,400 new sites to the existing 2100MHz Vodafone network. This will include the addition of sites that are already available to VHA following the agreement to conclude the 3GIS network joint venture. This site build is on schedule.

Last month, we started installing new radio equipment. The first cluster of 44 sites is being installed in parts of the Central Coast, Newcastle and the Hunter region of NSW. This cluster will be completed within the next six weeks.

When this radio equipment project is complete, we will have replaced all 5,800 existing 2G and 3G base station sites with Huawei's SingleRAN solution, which is capable of delivering 2G, 3G and 4G or Long Term Evolution from each site. This provides us with a very straightforward and flexible upgrade path to LTE.

On the transmission side of our network, we are rolling out dark fibre, installing new microwave radio equipment, and migrating to IP-enabled transmission services. This will support higher speed data for our customers.

Some of our recent network issues – coupled with the attention and commentary in the media and on social media forums – also impacted customer service, due to unprecedented demand to contact us. This was difficult for our customers to endure, and, as a result, we have changed the way we operate so that we make things easier for our customers.

To provide customers with faster resolutions in store, we have changed processes to better equip our store and contact centre staff with the ability to resolve complaints.

To reduce wait times we added 300 staff in our contact centres, and we have placed a high priority on addressing the rules and processes that cause customer frustration.

To help customers understand where coverage improvements are happening, or where there is an issue, we have introduced more localised, real time coverage maps.

And we have improved My Vodafone, our self-service portal, providing greater functionality to make the information more up-to-date and accessible to customers.

While we saw customer churn increase and sales impacted, I am confident that the changes we have made have improved the customer experience. I am also confident that the brand will recover and our growth will be restored in the months ahead.

We are now about half way through the program of work to integrate the Vodafone and 3 businesses. The lower cost base and more efficient operation we are creating will make the benefits of the merger real for our customers through affordable, high quality products and services.

I am pleased to announce that we have signed an agreement with NBN Co. to participate in the first residential fixed line trial of the National Broadband Network, which will take place in Armidale in Northern NSW in the coming months.

The NBN trials are a great opportunity for us to learn more about how the NBN will complement our existing mobile network. We will also work with NBN Co. to develop products and test the complementary nature of high-speed fibre as an interconnection point to support mobile transmission or base station access. If successful it could mean more mobile services, to more Australians, at more competitive prices.

Finally, it is important that I update you on our people. The vast majority of mergers succeed or fail based on the culture of the new organisation. I am very pleased with the culture we have created and the talented and dedicated people we have at VHA. They remain the cornerstone of our business and our success and I would like to thank them for their contribution – especially those that put in extraordinary efforts to respond to our recent challenges, including the floods and cyclone in Queensland.

Our focus remains the delivery of value for our customers and our shareholders and I would like to take this opportunity to thank them for their support.

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