Hutchison Whampoa Limited

(incorporated in Hong Kong with limited liability)
(Stock Code: 13)

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

HIGHLIGHTS

	2010 HK$ millions	2009 restated HK$ millions	Change
Total revenue	**325,922**	300,549	+8%
EBIT from established businesses	**39,209**	37,106	+6%
EBIT / (LBIT) of the **3** Group	**2,931**	(8,922)	+133%
Profit attributable to shareholders, before non-cash property revaluation and profits on disposal of investments	**18,559**	4,391	+323%
Non-cash property revaluation after tax	**1,479**	1,356	+9%
Profits on disposal of investments after tax	**-**	7,884	
Profit attributable to shareholders	**20,038**	13,631	+47%
Earnings per share	**HK$4.70**	HK$3.20	+47%
Final dividend per share	**HK$1.41**	HK$1.22	+16%
Full year dividend per share	**HK$1.92**	HK$1.73	+11%

- Total revenue grew 8% to HK$325,922 million.
- Profit attributable to shareholders, before non-cash property revaluation and profits on disposal of investments, grew 323%.
- Profit attributable to shareholders and earnings per share increased 47% to HK$20,038 million and HK$4.70 respectively.
- 3G customer base currently totals over 29.6 million worldwide.
- **3** Group reported its first positive EBIT of HK$2,931 million, a 133% turnaround from the comparable LBIT last year.
- Full year divdend amounts to HK$1.92 per share, an 11% increase.

22/F, Hutchison House, 10 Harcourt Road, Hong Kong
Tel +852 2128 1188 Fax +852 2128 1705
www.hutchison-whampoa.com

CHAIRMAN'S STATEMENT

The Group's global operations continued to perform well despite the continuing economic challenges as the world's major economies recover from the severe financial crisis in 2008. The Group's total revenue was HK$325,922 million, 8% higher than last year. The Group's total earnings before interest expense and other finance costs, taxation and non-controlling interests ("EBIT"), before property revaluation and profits on disposal of investments, increased 50% to HK$42,140 million, reflecting a milestone EBIT positive contribution from **3** Group, increased contributions from the property and hotels, retail, Cheung Kong Infrastructure ("CKI"), ports and related services divisions as well as Hutchison Telecommunications Hong Kong Holdings ("HTHKH"). These increases were partially offset by the loss of contribution from the Israel telecommunications operation which was disposed in October 2009 and decreased contributions from the finance and investment division as well as Husky Energy Inc. ("Husky Energy").

Subsequent to the year end, the Group completed an Initial Public Offer ("IPO") of units in Hutchison Port Holdings Trust ("HPH Trust") which was listed on the Main Board of the Singapore Stock Exchange on 18 March 2011. HPH Trust holds and operates the Group's interests in deep water container port businesses in the Pearl River Delta in Guangdong Province, including Hong Kong and Yantian ports. The Group currently retains a 27.6% interest in HPH Trust. The market capitalisation of HPH Trust at listing was approximately US$8,800 million (approximately HK$68,500 million) and the Group will report a gain on disposal of approximately US$5,650 million (approximately HK$44,000 million) in its 2011 results.

Results

The Group's profit attributable to shareholders for the year was HK$20,038 million, a 47% increase compared to last year's restated profit of HK$13,631 million. Earnings per share were HK$4.70 (2009 – restated HK$3.20).

The results for the year include the Group's share of its joint venture's profits on revaluation of Beijing Oriental Plaza of HK$2,407 million, which is the subject of a potential IPO. The results also include non-cash profit on revaluation of investment properties of HK$1,791 million (2009 – HK$1,663 million). There were no profits on disposal of investments in 2010 (2009 – HK$12,472 million). Excluding the non-cash revaluation of investment properties in both years and the 2009 profits on disposal of investments, profit attributable to shareholders totalled HK$18,559 million in 2010, 323% higher than the comparable results in 2009.

Dividends

The Board recommends the payment of a final dividend of HK$1.41 per share, a 16% increase, (2009 – HK$1.22 per share) payable on 23 May 2011 to those persons registered as shareholders on 20 May 2011. Combined with the interim dividend of HK$0.51 per share, the full year dividend amounts to HK$1.92 per share (2009 – HK$1.73 per share), an 11% increase. The register of members will be closed from 13 May 2011 to 20 May 2011, both dates inclusive.

Established Businesses

Ports and Related Services

The ports and related services division's total throughput grew 15% to 75.0 million twenty-foot equivalent units in 2010 and total revenue grew 13% to HK$37,728 million. The division reported EBIT of HK$11,610 million, 12% higher than last year, mainly due to higher throughput, improved operational efficiency and the benefits from cost saving initiatives implemented last year.

Property and Hotels

The property and hotels division reported total revenue of HK$16,159 million, a 16% increase compared to 2009. Gross rental income of HK$3,949 million was 4% higher than last year, with the rental properties portfolio 97% let. Development profits for 2010 were 16% higher than for last year and arose mainly from the completion and sale of property units in various residential projects in the Mainland, and also in Singapore and Hong Kong. In addition, a profit of HK$1,638 million was realised on the disposal of the Group's interest in an investment property. The hotel operations also reported strong earnings growth. This division's total EBIT, excluding property revaluation gains, increased 40% to HK$8,994 million.

Retail

The retail division delivered strong EBIT growth in the year. Total revenue grew by 8% in local currencies and by 6% in Hong Kong dollars to HK$123,177 million. EBIT increased 38% to HK$7,866 million, driven by management's strong commitment to improving operating efficiencies, reducing inventory levels, increasing centralised purchasing and continued expansion in high growth markets.

Cheung Kong Infrastructure

CKI, a Hong Kong listed subsidiary, announced its group turnover and its share of jointly controlled entities' turnover totalling HK$4,151 million, a 2% increase over last year, and profit attributable to shareholders of HK$5,028 million, compared to a profit of HK$5,568 million in 2009. While the profit was lower than the previous year, the result for 2009 benefited from a one-time disposal gain of HK$1,314 million arising from the sale of Mainland China power assets to Power Assets Holdings (formerly known as Hongkong Electric Holdings). Excluding the effect of this one-time gain, CKI's profit attributable to shareholders increased 18%.

Husky Energy

Husky Energy, a Canadian listed associate company, announced sales and operating revenues of C$18,178 million, 21% above last year, mainly due to higher average realised crude oil and bitumen prices, partially offset by the effects of a stronger Canadian dollar and lower oil and natural gas production. Average total upstream production in 2010 was 287,100 barrels of oil equivalent per day ("BOEs per day") compared to 306,500 BOEs per day in 2009. Net earnings of C$1,173 million in 2010 were 17% lower than last year, primarily attributable to the effects of a stronger Canadian dollar, lower production, lower US refining margins, which were also adversely impacted by a pipeline for delivery to the US that was damaged and closed for a period, as well as increased depletion charges in South East Asia.

Finance and Investments

The Group's EBIT from its finance and investments operations represents returns earned on the Group's holdings of cash and liquid investments and amounted to HK$1,152 million, 72% below last year, mainly due to one-time 2009 profits totalling HK$2,340 million, which included profits from the disposal of certain listed equity investments, repurchase of some of the Group's bonds and foreign exchange gains on repayment of loans, as well as lower market interest rates in 2010.

At 31 December 2010, the Group's consolidated cash and liquid investments totalled HK$116,237 million and consolidated debt amounted to HK$247,362 million, resulting in consolidated net debt of HK$131,125 million. In March 2011, the Group's consolidated net debt benefited from the net cash proceeds of approximately HK$45,000 million from the IPO of HPH Trust which significantly reduced consolidated net debt and the Group's net debt to net total capital ratio is expected to reduce to around 20% in 2011.

Hutchison Telecommunications Hong Kong

HTHKH, a Hong Kong listed subsidiary with telecommunications operations in Hong Kong and Macau, announced turnover of HK$9,880 million and net profit attributable to shareholders of HK$755 million, a 17% and 61% increase respectively over last year. HTHKH announced its total mobile active customer base in Hong Kong and Macau had reached 3.2 million as of 31 December 2010.

Hutchison Asia Telecommunications

Hutchison Asia Telecommunications' start-up mobile operations in Indonesia and Vietnam, as well as mobile operations in Sri Lanka reported total revenue of HK$2,486 million, a 34% increase compared to last year. LBIT of HK$2,688 million was in line with the LBIT of HK$2,681 million last year. At 31 December 2010, Hutchison Asia Telecommunications had a mobile customer base of 25.7 million, a 101% increase during the year.

3 Group

3 Group revenue grew 10% in local currencies for the year and after translation to Hong Kong dollars, increased 11% to total HK$64,205 million. **3** Group overall achieved a major milestone of EBIT positive operating results in the second half of 2010. All operations, except **3** Ireland, achieved EBIT positive operating results in this period. In addition, **3** UK recognised a one-time substantial benefit of HK$6,010 million arising from a revised **3** UK network sharing arrangement whereby **3** UK received the right of use of approximately 3,000 cell sites, free of acquisition and future operating costs, partially offset by one-time provisions of HK$3,742 million mainly related to the restructuring of **3** UK's network infrastructure. **3** Italia also recognised a one-time substantial benefit of HK$1,489 million with reference to the assignment of two blocks of 5MHz of 1,800MHz spectrum. These one-time gains more than offset the LBIT of the **3** Group in the first half of 2010 and these new valuable assets provide a significant contribution to the **3** Group's competitive position and cost saving initiatives. **3** Group achieved its first full year positive EBIT result totalling HK$2,931 million, an HK$11,853 million or 133% turnaround from last year's LBIT of HK$8,922 million. The improvement in **3** Group's operating results reflect customer base and revenue growth and a continuing focus on reducing operating costs.

3 Group's customer base continued to grow, particularly in the second half of the year when the **3** Group focused on attracting higher value, smartphone customers, supported by the enhanced supply of high quality smartphones. The Group's registered 3G customer base increased 13% during the year and currently totals over 29.6 million customers. The **3** Group's customer base includes approximately 6.0 million mobile broadband access customers, a 32% increase from last year.

Barring any significant adverse market or regulatory developments, going forward management expects the **3** Group to continue to make a positive contribution to the Group's EBIT results.

Outlook

The global financial crisis in 2008 presented one of the most severe economic challenges of the last one hundred years and the continuing recovery process adds an element of instability to markets and the potential for inflationary pressures. Despite these challenges, the Group's businesses performed well and reported both improved and growing profits in 2010.

The economy of Hong Kong is expected to be stable and continues to benefit from the Mainland's rapid development. While economic conditions remain challenging, the Group's global operations are still expected to continue to perform well. With the completion of the investment phase of the **3** Group, and its EBIT positive results, the Group has entered a new era when the **3** Group will no longer be a drag on profits and instead, make a positive contribution. The established businesses are expected to continue their strong growth and generate strong profits as well as harvest surplus cash. Combined with the substantial net cash proceeds of HK$45,000 million received from the IPO of HPH Trust, the Group's stronger balance sheet and cash flow provide a firm foundation for the Group's future. The Group has a very healthy future in the near, medium and long term, and it is expected that there will be varying degrees of growth among the Group's operations in 52 countries. The Group will continue to increase its investments around the world. Looking ahead, I am optimistic and confident about the Group's future prospects.

I would like to thank the Board of Directors and all employees around the world for their continued loyalty, diligence, professionalism, and contributions to the Group.

Li Ka-shing
Chairman
Hong Kong, 29 March 2011

SUPPLEMENTARY INFORMATION AND KEY BUSINESS INDICATORS

Hutchison Whampoa Limited's Group results can be summarised as below:
In HK$ Millions

	2010	2009 [1] restated	2010	2009 [1] restated	% Change
REVENUE [2]					
PORTS AND RELATED SERVICES	37,728	33,427	14%	14%	13%
PROPERTY AND HOTELS	16,159	13,912	6%	6%	16%
RETAIL	123,177	116,098	47%	48%	6%
CHEUNG KONG INFRASTRUCTURE	18,265	14,980	7%	6%	22%
HUSKY ENERGY	45,213	35,808	17%	15%	26%
FINANCE & INVESTMENTS	1,867	2,515	1%	1%	-26%
HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS	9,880	8,449	4%	3%	17%
HUTCHISON ASIA TELECOMMUNICATIONS	2,486	1,855	1%	1%	34%
TELECOMMUNICATIONS - ISRAEL OPERATIONS	-	9,890	0%	4%	-100%
OTHERS	6,942	6,025	3%	2%	15%
TOTAL REVENUE OF ESTABLISHED BUSINESSES	261,717	242,959	100%	100%	8%
3 GROUP	64,205	57,590			11%
TOTAL REVENUE	325,922	300,549			8%
TOTAL REVENUE excluding Israel Operations	325,922	290,659			12%
EARNINGS BEFORE INTEREST EXPENSE AND TAXATION ("EBIT") [2]					
ESTABLISHED BUSINESSES:					
PORTS AND RELATED SERVICES	11,610	10,406	30%	28%	12%
PROPERTY AND HOTELS	8,994	6,430	23%	17%	40%
RETAIL	7,866	5,692	20%	15%	38%
CHEUNG KONG INFRASTRUCTURE	8,454	6,905	21%	19%	22%
HUSKY ENERGY	3,073	3,246	8%	9%	-5%
FINANCE & INVESTMENTS	1,152	4,079	3%	11%	-72%
HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS	1,090	692	3%	2%	58%
HUTCHISON ASIA TELECOMMUNICATIONS	(2,688)	(2,681)	-7%	-7%	0%
TELECOMMUNICATIONS - ISRAEL OPERATIONS	-	2,482	0%	6%	-100%
OTHERS	(342)	(145)	-1%	0%	-136%
EBIT OF ESTABLISHED BUSINESSES	39,209	37,106	100%	100%	6%
EBIT OF ESTABLISHED BUSINESSES excluding Israel Operations	39,209	34,624			13%
3 GROUP [3]:					
EBIT/(LBIT) OF 3 GROUP	2,931	(8,922)			133%
TOTAL EBIT BEFORE THE FOLLOWING:	42,140	28,184			50%
CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES					
- Share of joint venture's profit on revaluation of investment properties	2,407	-			NA
- Other non-cash profit on revaluation of investment properties	1,791	1,663			8%
	4,198	1,663			152%
PROFITS ON DISPOSALS OF INVESTMENTS	-	12,472			-100%
TOTAL EBIT	46,338	42,319			9%
INTEREST EXPENSES AND FINANCE COSTS					
- Company and subsidiary companies	(8,476)	(9,613)			12%
- Share of associated companies and jointly controlled entities	(3,830)	(3,412)			-12%
	(12,306)	(13,025)			6%
PROFIT BEFORE TAX	34,032	29,294			16%
TAX [2]					
- Current tax	(5,508)	(9,453)			42%
- Deferred tax	(2,946)	1,359			-317%
	(8,454)	(8,094)			-4%
PROFIT AFTER TAXATION	25,578	21,200			21%
NON-CONTROLLING INTERESTS AND PERPETUAL CAPITAL SECURITIES HOLDERS INTERESTS [2]	(5,540)	(7,569)			27%
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	20,038	13,631			47%

Note 1 The Group has adopted Husky Energy's new accounting policy in 2010 with retrospective effect and as a result the comparative information has been restated. See Note 1(c) to the accounts.

Note 2 Includes share of associated companies and jointly controlled entities

Note 3 Includes 3G operations in UK, Italy, Sweden, Denmark, Austria, Ireland and the Group's share of the Australia operation.

SUPPLEMENTARY INFORMATION AND KEY BUSINESS INDICATORS

Note: All comparing against the full-year performance in 2009 unless indicated otherwise

Established Businesses

Ports and Related Services

Total revenue	increased 13%
EBIT	increased 12%
Contributed 14% and 30% respectively to total revenue and EBIT of the Group's established businesses.	

Major contributors to the division's overall 15% throughput growth were:

	Increase
Hong Kong and the Mainland	15%
Asia (excluding Hong Kong and the Mainland)	14%
Europe	12%
The Americas	27%
Middle East and Africa	11%

Major contributors to the division's overall 12% EBIT increase were:

	Increase / (Decrease)
Hong Kong and the Mainland	11%
The Americas	48%
Middle East and Africa	34%
Asia (excluding Hong Kong and the Mainland)	1%
Europe, mainly due to higher non-cash depreciation charges related to commencement of operations at the new Euromax Terminal in Rotterdam	(27)%

Property and Hotels

Total revenue	increased 16%
EBIT	increased 40%
Contributed 6% and 23% respectively to total revenue and EBIT of the Group's established businesses.	

The Group's current attributable landbank (including direct interests and its proportionate share of interests held by joint ventures, associated companies and jointly controlled entities) can be developed into 99 million square feet of mainly residential property, of which 97% is situated in the Mainland, 2% in the UK and 1% in Singapore and Hong Kong. This landbank comprises 49 projects in 23 cities and is expected to be developed in a phased manner over several years.

Retail

Total revenue	increased 6% (increased 8% in local currencies)
EBIT	increased 38% (increased 41% in local currencies)
Contributed 47% and 20% respectively to total revenue and EBIT of the Group's established businesses.	

The number of retail outlets increased during the year and currently totals over 9,300 outlets in 33 markets worldwide. The retail division is expanding organically in markets with high growth potential and at the same time continuing to control costs and focus on maintaining margins.

Cheung Kong Infrastructure, subsidiary listed on The Stock Exchange of Hong Kong ("SEHK")

Announced group turnover and its share of jointly controlled entities' turnover (excluding its share of associated companies turnover)	increased 2%
Announced profit attributable to shareholders	decreased 10%
Contributed 7% and 21% respectively to total revenue and EBIT of the Group's established businesses.	

Husky Energy, associated company listed on Toronto Stock Exchange

Announced sales and operating revenues, C$18,178 million	increased 21%
Announced net earnings, C$1,173 million	decreased 17%
After adjusting Husky Energy's announced results above under Canadian GAAP, to be consistent with the Group's Hong Kong Financial Reporting Standards ("HKFRS") accounting policies, Husky Energy contributed 17% and 8% respectively to total revenue and EBIT of the Group's established businesses.	

Hutchison Telecommunications Hong Kong Holdings, subsidiary listed on SEHK

Announced turnover	increased 17%
Announced profit attributable to shareholders	increased 61%
Contributed 4% and 3% respectively to total revenue and EBIT of the Group's established businesses.	

Hutchison Asia Telecommunications, unlisted wholly owned subsidiary after 24 May 2010

Total revenue	increased 34%
LBIT	losses in line with last year
Contributed 1% and a negative 7% respectively to total revenue and EBIT of the Group's established businesses.	

LBIT for the year ended 31 December 2010 includes one-time compensation contributions from certain suppliers of approximately HK$669 million (2009 – HK$155 million) and a profit of HK$251 million on disposal of telecommunication tower assets.

3 Group

Total revenue	increased 11% (increased 10% in local currencies)
Total EBIT	Turnaround of 133% to EBIT of HK$2,931 million.

3 Group overall achieved a major milestone of EBIT positive operating results in the second half of 2010. All operations, except **3** Ireland, achieved EBIT positive operating results in this period. EBIT in 2010, includes a one-time substantial benefit of £500 million (approximately HK$6,010 million) arising from a revised **3** UK network sharing arrangement whereby **3** UK received the right of use of approximately 3,000 cell sites, free of acquisition and future operating costs, partially offset by one-time provisions of £311 million (approximately HK$3,742 million) mainly related to the restructuring of **3** UK's network infrastructure. EBIT also includes another one-time substantial benefit of €146 million (approximately HK$1,489 million) with reference to the assignment of two blocks of 5MHz of 1,800MHz spectrum. The addition of these valuable assets will provide a significant contribution to the competitive position and cost saving initiatives.

3 Group Overall

	31 December 2010	**31 December 2009**
Weighted average per customer acquisition cost, on a 12-month trailing average basis – reduced 14%	€91	€106
Contract customers as a percentage of total registered customer base	52%	54%
Average monthly customer churn rate of total registered customer base	2.7%	2.7%
Average monthly customer churn rate of total contract registered customer base	2.0%	1.8%
Active customers as a percentage of total registered customer base	82%	84%
Active contract customers as a percentage of total contract registered customer base	98%	97%

Average revenue per active user ("ARPU"), on a 12-month trailing average active customer basis, overall increased by 5% to €29.67 compared to 2009. In local currency, ARPU decreased 5% compared to 2009, mainly due to regulated interconnection and international roaming fee reductions in the UK and lower roaming rates, price competition and an increased proportion of mobile access customers added to the overall **3** Group's customer base.

Key Business Indicators

	Customer Base					
	Registered Customers at 28 March 2011 ('000)			Registered Customer Growth (%) from 31 December 2009 to 31 December 2010		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
Italy	5,844	3,252	9,096	4%	-1%	2%
Australia[1]	3,170	4,256	7,426	11%	9%	10%
UK	3,339	3,898	7,237	51%	7%	23%
Sweden & Denmark	252	1,654	1,906	29%	18%	19%
Austria	279	862	1,141	34%	23%	26%
Ireland	391	261	652	39%	27%	34%
3 Group Total	13,275	14,183	27,458	16%	8%	12%
Hong Kong and Macau[2]	628	1,581	2,209	151%	10%	28%
Total	13,903	15,764	29,667	19%	8%	13%

	Customer Service Revenue							
	Revenue for the twelve months ended 31 December 2010 (millions)					Growth (%) compared to the year ended 31 December 2009		
						Revenue		
	Prepaid	% of total Revenue	Postpaid	% of total Revenue	**Total**	Prepaid	Postpaid	**Total**
Italy	€343.1	20%	€1,362.3	80%	**€1,705.4**	-16%	10%	**4%**
Australia[3]	A$536.9	24%	A$1,664.5	76%	**A$2,201.4**	69%	6%	**17%**
UK	£169.9	12%	£1,234.5	88%	**£1,404.4**	12%	-7%	**-5%**
Sweden & Denmark	SEK192.3	3%	SEK6,280.6	97%	**SEK6,472.9**	47%	16%	**17%**
Austria	€7.4	4%	€199.9	96%	**€207.3**	48%	18%	**19%**
Ireland	€19.7	22%	€70.2	78%	**€89.9**	3%	22%	**17%**

	12-month Trailing Average Revenue per Active User ("ARPU")[4] to 31 December 2010					
	Total				Non-voice	
	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2009	ARPU	% of total ARPU
Italy	€10.04	€35.76	**€23.60**	-	**€9.28**	39%
Australia[3]	A$30.83	A$70.83	**A$54.02**	-3%	**A$21.74**	40%
UK	£8.45	£29.36	**£22.60**	-16%	**£9.16**	41%
Sweden & Denmark	SEK115.53	SEK348.78	**SEK329.05**	-5%	**SEK142.26**	43%
Austria	€9.39	€22.93	**€21.80**	-9%	**€11.27**	52%
Ireland	€14.47	€32.25	**€25.41**	7%	**€13.99**	55%
3 Group Average	€14.28	€38.74	**€29.67**	5%	**€12.13**	41%
3 Group Average (without FX impact)	€12.72	€35.40	**€26.99**	-5%	**€11.04**	41%

Note 1: Active customers (including customers of mobile virtual network operators ("MVNOs")) at 31 December 2010 as announced by listed subsidiary HTAL updated for net additions to 28 March 2011.
Note 2: Active customers at 31 December 2010 as announced by listed subsidiary HTHKH, updated for net additions to 28 March 2011.
Note 3: Revenue and ARPU (excluding ARPU from MVNOs) at 31 December 2010 as announced by listed subsidiary HTAL.
Note 4: ARPU equals total monthly tariff revenue, divided by the average number of active customers during the period, where an active customer is one that has generated revenue from either an outgoing or incoming call or 3G services in the preceding three months.

Italy

Customer service revenue, in EURO	increased 4%
EBIT, in EURO	Turnaround of 121% to EBIT of €96 million.

3 Italia achieved EBIT positive operating results in the second half of 2010. Full year total EBIT includes a one-time substantial benefit of €146 million (approximately HK$1,489 million), with reference to the assignment of two blocks of 5MHz of 1,800 MHz spectrum. The addition of this valuable asset will provide a significant contribution to the competitive position and cost saving initiatives.

	31 December 2010	**31 December 2009**
Contract customers as a percentage of total registered customer base	36%	37%
Average monthly customer churn rate of total registered customer base	2.4%	2.7%
Average monthly customer churn rate of total contract registered customer base (accounts for 80% of the revenue base)	2.4%	2.2%
Active customers as a percentage of total registered customer base	68%	69%
Active contract customers as a percentage of total contract registered customer base	96%	92%

Hutchison Telecommunications Australia ("HTAL"), subsidiary listed on Australian Securities Exchange

Announced service revenue, in AUD	increased 17%
Announced profit attributable to shareholders	turnaround of 161% to profit attributable to shareholders of A$73 million(1)
HTAL's EBIT contribution to the Group's results	turnaround of 255% to EBIT of A$156 million(1)

Note (1): The comparison percentage excludes the gain of A$587 million on the merger of **3** Australia with Vodafone Australia in June 2009.

HTAL's joint venture telecommunications operations achieved EBIT positive operating results in both the first and second half of 2010.

UK

Customer service revenue, in GBP	decreased 5%
EBIT, in GBP	Turnaround of 296% to EBIT of £173 million.

3 UK achieved EBIT positive operating results in the second half of 2010. Full year total EBIT in 2010, includes a one-time substantial benefit of £500 million (approximately HK$6,010 million) arising from a revised **3** UK network sharing arrangement whereby **3** UK received the right of use of approximately 3,000 cell sites, free of acquisition and future operating costs, partially offset by one-time provisions of £311 million (approximately HK$3,742 million) mainly related to the restructuring of **3** UK's network infrastructure. The addition of this valuable asset will provide a significant contribution to the competitive position and cost saving initiatives.

	31 December 2010	**31 December 2009**
Contract customers as a percentage of total registered customer base	55%	64%
Average monthly customer churn rate of total registered customer base	2.9%	3.2%
Average monthly customer churn rate of total contract registered customer base (accounts for 88% of the revenue base)	2.1%	2.0%
Active customers as a percentage of total registered customer base	81%	89%
Active contract customers as a percentage of total contract registered customer base	97%	97%

Sweden and Denmark (combined)

Combined customer service revenue, in SEK	increased 17%
Combined EBIT, in SEK	turnaround of 131% to EBIT of SEK137 million

In Sweden and Denmark, the combined operations achieved EBIT positive operating results in both the first and second half of 2010.

	31 December 2010	**31 December 2009**
Contract customers as a percentage of total registered customer base	87%	88%
Average monthly customer churn rate of total registered customer base	2.3%	2.1%
Active customers as a percentage of total registered customer base	96%	95%
Active contract customers as a percentage of total contract registered customer base	100%	100%

Austria

Customer service revenue, in EURO	increased 19%
EBIT, in EURO	turnaround of 105% to EBIT of €4.1 million

3 Austria achieved EBIT positive operating results in both the first and second half of 2010.

	31 December 2010	**31 December 2009**
Contract customers as a percentage of total registered customer base	76%	78%
Average monthly customer churn rate of total registered customer base	1.0%	1.3%
Active customers as a percentage of total registered customer base	83%	83%
Active contract customers as a percentage of total contract registered customer base	99%	99%

Ireland

Customer service revenue, in EURO	increased 17%
LBIT, in EURO	increased 112% to LBIT of €78 million

	31 December 2010	**31 December 2009**
Contract customers as a percentage of total registered customer base	39%	41%
Average monthly customer churn rate of total registered customer base	1.2%	1.0%
Active customers as a percentage of total registered customer base	50%	60%
Active contract customers as a percentage of total contract registered customer base	87%	84%

Hutchison Whampoa Limited
Consolidated Income Statement
for the year ended 31 December 2010

	Note	**2010** **HK$ millions**	As restated Note 1 2009 HK$ millions
Company and subsidiary companies:			
Revenue	2	**209,180**	208,808
Cost of inventories sold		**(78,321)**	(74,275)
Staff costs		**(28,768)**	(28,309)
Telecommunications customer acquisition costs		**(16,013)**	(16,544)
Depreciation and amortisation	2	**(14,932)**	(16,258)
Other operating expenses	2	**(50,456)**	(60,769)
Change in fair value of investment properties		**855**	1,117
Profit on disposal of investments	3	**-**	12,472
Share of profits less losses after tax of:			
Associated companies		**6,469**	5,390
Jointly controlled entities		**9,382**	3,677
	2	**37,396**	35,309
Interest and other finance costs	4	**(8,476)**	(9,613)
Profit before tax		**28,920**	25,696
Current tax charge	5	**(2,493)**	(4,588)
Deferred tax credit (charge)	5	**(847)**	92
Profit after tax		**25,580**	21,200
Allocated as :			
Profit attributable to non-controlling interests and holders of perpetual capital securities		**(5,542)**	(7,569)
Profit attributable to ordinary shareholders of the Company		**20,038**	13,631
Earnings per share for profit attributable to ordinary shareholders of the Company	6	**HK$ 4.70**	HK$ 3.20

Details of interim dividend paid and proposed final dividend payable to the ordinary shareholders of the Company are set out in note 7.

Hutchison Whampoa Limited
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2010

	2010 **HK$ millions**	As restated Note 1 2009 HK$ millions
Profit after tax	**25,580**	21,200
Other comprehensive income		
Available-for-sale investments:		
Valuation gains recognised directly in reserves	**1,001**	417
Valuation gains previously in reserves recognised in income statement for the year	**(839)**	(198)
Net actuarial gains of defined benefit plans	**463**	31
Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:		
Gains recognised directly in reserves	**52**	1
Losses (gains) previously in reserves recognised in initial cost of non-financial items for the year	**(25)**	4
Gains (losses) on translating overseas subsidiaries' net assets recognised directly in reserves	**(6,152)**	11,170
Gains on repayment of foreign currency loans from a jointly controlled entity previously in reserves recognised in income statement for the year	**-**	(930)
Gains previously in reserves related to subsidiaries disposed during the year recognised in income statement for the year	**(17)**	(1,909)
Others	**-**	7
Share of other comprehensive income of associated companies for the year	**2,520**	6,665
Share of other comprehensive income of jointly controlled entities for the year	**1,841**	1,547
Other comprehensive income (losses) before tax	**(1,156)**	16,805
Tax relating to components of other comprehensive income	**(140)**	149
Other comprehensive income (losses) after tax	**(1,296)**	16,954
Total comprehensive income	**24,284**	38,154
Allocated as :		
Attributable to non-controlling interests and holders of perpetual capital securities	**(6,014)**	(8,198)
Attributable to ordinary shareholders of the Company	**18,270**	29,956

Hutchison Whampoa Limited
Consolidated Statement of Financial Position
at 31 December 2010

	Note	31 December 2010 HK$ millions	As restated Note 1 31 December 2009 HK$ millions	As restated Note 1 1 January 2009 HK$ millions
ASSETS				
Non-current assets				
Fixed assets		**167,851**	176,192	178,143
Investment properties		**43,240**	42,323	41,282
Leasehold land		**27,561**	29,191	29,848
Telecommunications licences		**68,333**	70,750	72,175
Goodwill		**27,332**	28,858	30,436
Brand names and other rights		**12,865**	7,351	10,486
Associated companies		**105,528**	83,716	76,045
Interests in joint ventures		**54,032**	51,568	45,865
Deferred tax assets		**14,105**	14,657	13,248
Other non-current assets		**9,131**	5,286	8,904
Liquid funds and other listed investments		**24,585**	23,213	30,735
		554,563	533,105	537,167
Current assets				
Cash and cash equivalents	8	**91,652**	92,521	57,286
Trade and other receivables	9	**57,229**	48,146	54,767
Inventories		**17,733**	16,593	18,528
		166,614	157,260	130,581
Current liabilities				
Trade and other payables	10	**80,889**	73,029	82,599
Bank and other debts		**23,122**	17,589	23,945
Current tax liabilities		**2,900**	3,249	1,274
		106,911	93,867	107,818
Net current assets		**59,703**	63,393	22,763
Total assets less current liabilities		**614,266**	596,498	559,930
Non-current liabilities				
Bank and other debts		**228,134**	242,851	234,141
Interest bearing loans from non-controlling shareholders		**13,493**	13,424	13,348
Deferred tax liabilities		**14,290**	13,355	13,616
Pension obligations		**1,702**	2,436	2,541
Other non-current liabilities		**3,945**	4,520	4,586
		261,564	276,586	268,232
Net assets		**352,702**	319,912	291,698
CAPITAL AND RESERVES				
Share capital		**1,066**	1,066	1,066
Perpetual capital securities		**15,600**	-	-
Reserves		**292,831**	281,433	258,820
Total ordinary shareholders' funds and perpetual capital securities		**309,497**	282,499	259,886
Non-controlling interests		**43,205**	37,413	31,812
Total equity		**352,702**	319,912	291,698

Notes:

1 Basis of preparation

The accounts have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The accounts have been prepared under the historical cost convention except for certain properties and financial instruments which are stated at fair values.

In the current year, the Group has adopted all of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for annual periods beginning 1 January 2010. The adoption of these new and revised standards, amendments and interpretations has introduced certain changes to terminology in the Group's accounts in 2010 (for example the terms "non-controlling interests" and "non-controlling shareholders" replace "minority interests" and "minority shareholders", respectively) and has also resulted in a change to the Group's accounting policies in respect of classification of land leases, business combinations, and acquisitions and disposals of ownership interests in subsidiaries, associated companies and joint ventures that has affected the amount reported for the current and prior years. In addition, the Group's listed associated company, Husky Energy Inc. ("Husky Energy") announced that its accounting policy for oil and gas properties under the International Financial Reporting Standards ("IFRS") has been changed.

Information on the effect of the adoption of the aforementioned new and revised standards, amendments and interpretations, and the new accounting policies is set out below:

(a) Classification of leases of land

The amendments to Hong Kong Accounting Standard ("HKAS") 17 "Leases" are effective for the Group with effect from 1 January 2010. Amendments to HKAS 17 require that the classification of leases is based on the extent to which the risks and rewards incidental to ownership of an asset lie with the lessor or the lessee. In particular, the amendments deleted the specific guidance in the standard which previously required that the land element in a lease is normally classified as an operating lease unless title to the land is expected to be passed to the lessee by the end of the lease term. Under the amended HKAS 17, a lease of land is classified as fixed assets if the lease transfers substantially all the risks and rewards incidental to ownership of the leasehold land to the lessee. The amendments to HKAS 17 are required to be applied retrospectively. Comparative information has been restated to reflect this change in accounting policy. The effect of the adoption of this change in accounting policy is a reclassification of certain leasehold land to fixed assets in the statement of financial position.

(b) Business combinations, and acquisitions and disposals of ownership interests in subsidiaries, associated companies and joint ventures

HKFRS 3 (Revised) "Business combinations" and consequential amendments to HKAS 27 "Consolidated and separate financial statements" are effective for the Group prospectively with effect from 1 January 2010.

HKFRS 3 (Revised) introduces significant changes in the Group's accounting for business combinations. Changes affect the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. Furthermore, the revised standard changes the accounting for business combinations achieved in stages. Under HKFRS 3 (Revised), the Group's previously held interests in the acquired entity are re-measured to fair value at the date the Group attains control and the resulting gain or loss, if any, is recognised in the income statement, and any comprehensive income recognised in prior periods in relation to the previously held interests is also reclassified to the income statement, as if those interests were directly disposed of. Previously, the resulting gain or loss would have been dealt with as a movement in the revaluation surplus account in reserves, and the amount recognised in other comprehensive income in prior periods in relation to the previously held interests is not reclassified to the income statement. The principle adopted under HKFRS 3 (Revised) in relation to business combinations achieved in stages is applicable to acquisitions of associated and joint venture companies in stages.

HKAS 27 (Revised) requires that an increase or a decrease in ownership interest in a subsidiary that does not result in the Group losing control over the subsidiary is accounted for as a transaction with owners in their capacity as owners and is dealt with in reserves and attributed to the ordinary shareholders of the Company, with no impact to goodwill or income statement. Previously, such transactions impact goodwill and give rise to gains or losses. When control of a subsidiary is lost as a result of a transaction, event or other circumstances, HKAS 27 (Revised) requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when the control is lost, with the resulting fair value re-measurement gain or loss being recognised in the income statement. Previously, the retained interest in the former subsidiary is recognised at its carrying amount at the date when the control is lost and it does not give rise to fair value re-measurement gain or loss. The adoption of these revised standards has affected the accounting for acquisitions and transactions with non-controlling interests during the current year.

1 Basis of preparation (continued)

(c) Husky Energy's change in IFRS accounting policy for oil and gas properties

Husky Energy has changed its IFRS accounting policy for oil and gas properties. Under the previous policy, all costs of acquisition, exploration for and development of oil and gas reserves were capitalised and accumulated within cost centres on a country-by-country basis. Depletion of oil and gas properties was calculated using the unit-of-production method based on proved oil and gas reserves for each cost centre. Under the new policy, pre-exploration and evaluation costs are expensed as incurred, and exploratory wells will remain capitalised until the drilling operation is complete and the results have been evaluated. If the well does not encounter reserves of commercial quantity, the costs of drilling the well or wells will be written-off to exploration and evaluation expenses. Wells that result in commercial quantities of reserves remain capitalised and reclassified into property, plant, and equipment. The Group has adopted Husky Energy's new accounting policy in 2010 with retrospective effect and as a result the comparative information has been restated.

(d) As a result of the changes in accounting policies mentioned above (notes 1(a) to 1(c)), certain adjustments have been made to the comparative information. The effect, where material, of these changes are summarised below:

1 **Basis of preparation (continued)**

(i) Estimated effect on the consolidated income statement for the year ended 31 December 2010

	Changes in accounting policies			
	Business combinations HK$ millions	Classification of leases of land HK$ millions	Oil and gas properties HK$ millions	Total HK$ millions
Company and subsidiary companies:				
Revenue	-	-	-	-
Cost of inventories sold	-	-	-	-
Staff costs	-	-	-	-
Telecommunications customer acquisition costs	-	-	-	-
Depreciation and amortisation	-	-	-	-
Other operating expenses	(138)	-	-	(138)
Change in fair value of investment properties	-	-	-	-
Profit on disposal of investments	-	-	-	-
Share of profits less losses after tax of:				
Associated companies	-	-	(755)	(755)
Jointly controlled entities	-	-	-	-
	(138)	-	(755)	(893)
Interest and other finance costs	-	-	-	-
Profit before tax	(138)	-	(755)	(893)
Current tax charge	-	-	-	-
Deferred tax credit (charge)	-	-	-	-
Profit after tax	(138)	-	(755)	(893)
Allocated as : Profit attributable to non-controlling interests and holders of perpetual capital securities	(37)	-	-	(37)
Profit attributable to ordinary shareholders of the Company	(175)	-	(755)	(930)
Earnings per share for profit attributable to ordinary shareholders of the Company	(HK$ 0.04)	-	(HK$ 0.18)	(HK$ 0.22)

(ii) Estimated effect on the consolidated statement of financial position as at 31 December 2010

	Changes in accounting policies			
	Business combinations HK$ millions	Classification of leases of land HK$ millions	Oil and gas properties HK$ millions	Total HK$ millions
ASSETS				
Non-current assets				
Fixed assets	-	4,698	-	4,698
Investment properties	-	-	-	-
Leasehold land	-	(4,698)	-	(4,698)
Telecommunications licences	-	-	-	-
Goodwill	5	-	-	5
Brand names and other rights	-	-	-	-
Associated companies	440	-	(1,835)	(1,395)
Interests in joint ventures	-	-	-	-
Deferred tax assets	-	-	-	-
Other non-current assets	-	-	-	-
Liquid funds and other listed investments	-	-	-	-
	445	-	(1,835)	(1,390)
Current assets				
Cash and cash equivalents	-	-	-	-
Trade and other receivables	-	-	-	-
Inventories	-	-	-	-
	-	-	-	-
Current liabilities				
Trade and other payables	-	-	-	-
Bank and other debts	-	-	-	-
Current tax liabilities	-	-	-	-
	-	-	-	-
Net current assets	-	-	-	-
Total assets less current liabilities	445	-	(1,835)	(1,390)
Non-current liabilities				
Bank and other debts	-	-	-	-
Interest bearing loans from non-controlling shareholders	-	-	-	-
Deferred tax liabilities	-	-	-	-
Pension obligations	-	-	-	-
Other non-current liabilities	-	-	-	-
	-	-	-	-
Net assets	445	-	(1,835)	(1,390)
CAPITAL AND RESERVES				
Share capital	-	-	-	-
Perpetual capital securities	-	-	-	-
Reserves	408	-	(1,835)	(1,427)
Total ordinary shareholders' funds and perpetual capital securities	408	-	(1,835)	(1,427)
Non-controlling interests	37	-	-	37
Total equity	445	-	(1,835)	(1,390)

1 Basis of preparation (continued)

(iii) Effect on the consolidated income statement for the year ended 31 December 2009

	As previously reported HK$ millions	Changes in accounting policies: Classification of leases of land HK$ millions	Changes in accounting policies: Oil and gas properties HK$ millions	As restated HK$ millions
Company and subsidiary companies:				
Revenue	208,808	-	-	208,808
Cost of inventories sold	(74,275)	-	-	(74,275)
Staff costs	(28,309)	-	-	(28,309)
Telecommunications customer acquisition costs	(16,544)	-	-	(16,544)
Depreciation and amortisation	(16,258)	-	-	(16,258)
Other operating expenses	(60,769)	-	-	(60,769)
Change in fair value of investment properties	1,117	-	-	1,117
Profit on disposal of investments and others	12,472	-	-	12,472
Share of profits less losses after tax of:				
Associated companies	5,927	-	(537)	5,390
Jointly controlled entities	3,677	-	-	3,677
	35,846	-	(537)	35,309
Interest and other finance costs	(9,613)	-	-	(9,613)
Profit before tax	26,233	-	(537)	25,696
Current tax charge	(4,588)	-	-	(4,588)
Deferred tax credit	92	-	-	92
Profit after tax	21,737	-	(537)	21,200
Allocated as : Profit attributable to non-controlling interests	(7,569)	-	-	(7,569)
Profit attributable to shareholders of the Company	14,168	-	(537)	13,631
Earnings per share for profit attributable to shareholders of the Company	HK$ 3.32	-	(HK$ 0.12)	HK$ 3.20

(iv) Effect on the consolidated statement of financial position as at 31 December 2009

	As previously reported HK$ millions	Changes in accounting policies: Classification of leases of land HK$ millions	Changes in accounting policies: Oil and gas properties HK$ millions	As restated HK$ millions
ASSETS				
Non-current assets				
Fixed assets	171,399	4,793	-	176,192
Investment properties	42,323	-	-	42,323
Leasehold land	33,984	(4,793)	-	29,191
Telecommunications licences	70,750	-	-	70,750
Goodwill	28,858	-	-	28,858
Brand names and other rights	7,351	-	-	7,351
Associated companies	84,748	-	(1,032)	83,716
Interests in joint ventures	51,568	-	-	51,568
Deferred tax assets	14,657	-	-	14,657
Other non-current assets	5,286	-	-	5,286
Liquid funds and other listed investments	23,213	-	-	23,213
	534,137	-	(1,032)	533,105
Current assets				
Cash and cash equivalents	92,521	-	-	92,521
Trade and other receivables	48,146	-	-	48,146
Inventories	16,593	-	-	16,593
	157,260	-	-	157,260
Current liabilities				
Trade and other payables	73,029	-	-	73,029
Bank and other debts	17,589	-	-	17,589
Current tax liabilities	3,249	-	-	3,249
	93,867	-	-	93,867
Net current assets	63,393	-	-	63,393
Total assets less current liabilities	597,530	-	(1,032)	596,498
Non-current liabilities				
Bank and other debts	242,851	-	-	242,851
Interest bearing loans from non-controlling shareholders	13,424	-	-	13,424
Deferred tax liabilities	13,355	-	-	13,355
Pension obligations	2,436	-	-	2,436
Other non-current liabilities	4,520	-	-	4,520
	276,586	-	-	276,586
Net assets	320,944	-	(1,032)	319,912
CAPITAL AND RESERVES				
Share capital	1,066	-	-	1,066
Reserves	282,465	-	(1,032)	281,433
Total shareholders' funds	283,531	-	(1,032)	282,499
Non-controlling interests	37,413	-	-	37,413
Total equity	320,944	-	(1,032)	319,912

1 Basis of preparation (continued)

(v) Effect on the consolidated income statement for the year ended 31 December 2008

	As previously reported HK$ millions	Changes in accounting policies: Classification of leases of land HK$ millions	Changes in accounting policies: Oil and gas properties HK$ millions	As restated HK$ millions
Company and subsidiary companies:				
Revenue	235,478	-	-	235,478
Cost of inventories sold	(77,172)	-	-	(77,172)
Staff costs	(31,929)	-	-	(31,929)
Telecommunications customer acquisition costs	(22,926)	-	-	(22,926)
Depreciation and amortisation	(24,876)	-	-	(24,876)
Other operating expenses	(66,001)	-	-	(66,001)
Change in fair value of investment properties	672	-	-	672
Profit on disposal of investments and others	3,458	-	-	3,458
Share of profits less losses after tax of:				
Associated companies before profit on disposal of investments and others	12,522	-	(232)	12,290
Jointly controlled entities	5,286	-	-	5,286
Associated company's profit on disposal of an investment and others	3,122	-	-	3,122
	37,634	-	(232)	37,402
Interest and other finance costs	(17,286)	-	-	(17,286)
Profit before tax	20,348	-	(232)	20,116
Current tax charge	(3,443)	-	-	(3,443)
Deferred tax credit	2,576	-	-	2,576
Profit after tax	19,481	-	(232)	19,249
Allocated as : Profit attributable to non-controlling interests	(6,800)	-	-	(6,800)
Profit attributable to shareholders of the Company	12,681	-	(232)	12,449
Earnings per share for profit attributable to shareholders of the Company	HK$ 2.97	-	(HK$ 0.05)	HK$ 2.92

(vi) Effect on the consolidated statement of financial position as at 1 January 2009

	As previously reported HK$ millions	Changes in accounting policies: Classification of leases of land HK$ millions	Changes in accounting policies: Oil and gas properties HK$ millions	As restated HK$ millions
ASSETS				
Non-current assets				
Fixed assets	173,246	4,897	-	178,143
Investment properties	41,282	-	-	41,282
Leasehold land	34,745	(4,897)	-	29,848
Telecommunications licences	72,175	-	-	72,175
Goodwill	30,436	-	-	30,436
Brand names and other rights	10,486	-	-	10,486
Associated companies	76,478	-	(433)	76,045
Interests in joint ventures	45,865	-	-	45,865
Deferred tax assets	13,248	-	-	13,248
Other non-current assets	8,904	-	-	8,904
Liquid funds and other listed investments	30,735	-	-	30,735
	537,600	-	(433)	537,167
Current assets				
Cash and cash equivalents	57,286	-	-	57,286
Trade and other receivables	54,767	-	-	54,767
Inventories	18,528	-	-	18,528
	130,581	-	-	130,581
Current liabilities				
Trade and other payables	82,599	-	-	82,599
Bank and other debts	23,945	-	-	23,945
Current tax liabilities	1,274	-	-	1,274
	107,818	-	-	107,818
Net current assets	22,763	-	-	22,763
Total assets less current liabilities	560,363	-	(433)	559,930
Non-current liabilities				
Bank and other debts	234,141	-	-	234,141
Interest bearing loans from non-controlling shareholders	13,348	-	-	13,348
Deferred tax liabilities	13,616	-	-	13,616
Pension obligations	2,541	-	-	2,541
Other non-current liabilities	4,586	-	-	4,586
	268,232	-	-	268,232
Net assets	292,131	-	(433)	291,698
CAPITAL AND RESERVES				
Share capital	1,066	-	-	1,066
Reserves	259,253	-	(433)	258,820
Total shareholders' funds	260,319	-	(433)	259,886
Non-controlling interests	31,812	-	-	31,812
Total equity	292,131	-	(433)	291,698

2 Operating segment information

Operating segments are reported in a manner consistent with internal reporting provided to the board of directors of the Company who is responsible for allocating resources and assessing performance of the operating segments. The column headed as Company and Subsidiaries refers to the Company and subsidiary companies' respective items. The column headed as Associates and JCE refers to the Group's share of associated companies and jointly controlled entities' respective items.

Finance & Investments represents returns earned on the Group's holdings of cash and liquid investments. Others includes Hutchison Whampoa (China), Hutchison E-Commerce operations, listed subsidiary Hutchison China MediTech Limited, listed subsidiary Hutchison Harbour Ring ("HHR") and listed associate Tom Group and others. Hutchison Telecommunications Hong Kong Holdings includes the Hong Kong and Macau mobile and fixed-line telecommunications operations. Hutchison Asia Telecommunications includes telecommunications operations in Indonesia, Sri Lanka, Thailand and Vietnam. Telecommunications – **3** Group includes 3G operations in the UK, Italy, Sweden, Austria, Denmark, Norway, Ireland and Australia.

Revenue from external customers is after elimination of inter-segment revenue. The amount eliminated attributable to Ports and related services is HK$59 million (2009 – HK$25 million), Property and hotels is HK$310 million (2009 – HK$307 million), Finance & Investments is HK$14 million (2009 – HK$7 million), Hutchison Telecommunications Hong Kong Holdings is HK$123 million (2009 – HK$165 million) and Others is HK$641 million (2009 – HK$538 million).

The following is an analysis of the Group's revenue and results by operating segment:

	Revenue							
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**2010 Total HK$ millions**	**%[(a)]**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	2009 Total HK$ millions	%[(a)]
ESTABLISHED BUSINESSES								
Ports and related services	**32,720**	**5,008**	**37,728**	**14%**	29,492	3,935	33,427	14%
Property and hotels	**5,682**	**10,477**	**16,159**	**6%**	5,233	8,679	13,912	6%
Retail	**102,014**	**21,163**	**123,177**	**47%**	96,552	19,546	116,098	48%
Cheung Kong Infrastructure	**2,997**	**15,268**	**18,265**	**7%**	2,404	12,576	14,980	6%
Husky Energy	**-**	**45,213**	**45,213**	**17%**	-	35,808	35,808	15%
Finance & Investments	**1,456**	**411**	**1,867**	**1%**	2,152	363	2,515	1%
Hutchison Telecommunications Hong Kong Holdings	**9,880**	**-**	**9,880**	**4%**	8,449	-	8,449	3%
Hutchison Asia Telecommunications	**2,486**	**-**	**2,486**	**1%**	1,855	-	1,855	1%
Telecommunications - Israel Operations	**-**	**-**	**-**	**-**	9,890	-	9,890	4%
Others	**4,122**	**2,820**	**6,942**	**3%**	3,589	2,436	6,025	2%
Subtotal - Established businesses	**161,357**	**100,360**	**261,717**	**100%**	159,616	83,343	242,959	100%
TELECOMMUNICATIONS - 3 Group	**47,823**	**16,382**	**64,205**		49,192	8,398	57,590	
	209,180	**116,742**	**325,922**		208,808	91,741	300,549	

2 Operating segment information (continued)

	EBIT (LBIT)[b]							
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**2010 Total HK$ millions**	**%[a]**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	2009 Total HK$ millions	%[a]
ESTABLISHED BUSINESSES								
Ports and related services [c]	**9,723**	**1,887**	**11,610**	**30%**	9,025	1,381	10,406	28%
Property and hotels	**3,189**	**5,805**	**8,994**	**23%**	2,960	3,470	6,430	17%
Retail	**6,388**	**1,478**	**7,866**	**20%**	4,553	1,139	5,692	15%
Cheung Kong Infrastructure	**1,077**	**7,377**	**8,454**	**21%**	795	6,110	6,905	19%
Husky Energy	**-**	**3,073**	**3,073**	**8%**	-	3,246	3,246	9%
Finance & Investments [d]	**757**	**395**	**1,152**	**3%**	3,729	350	4,079	11%
Hutchison Telecommunications Hong Kong Holdings	**1,111**	**(21)**	**1,090**	**3%**	708	(16)	692	2%
Hutchison Asia Telecommunications [e]	**(2,688)**	**-**	**(2,688)**	**-7%**	(2,681)	-	(2,681)	-7%
Telecommunications - Israel Operations	**-**	**-**	**-**	**-**	2,482	-	2,482	6%
Others	**(669)**	**327**	**(342)**	**-1%**	(406)	261	(145)	-
EBIT - Established businesses [b]	**18,888**	**20,321**	**39,209**	**100%**	21,165	15,941	37,106	100%
TELECOMMUNICATIONS - 3 Group [f]								
EBIT before the following:	**19,004**	**7,621**	**26,625**		14,361	3,121	17,482	
Telecommunications CACs	**(13,580)**	**(4,327)**	**(17,907)**		(14,850)	(2,456)	(17,306)	
EBIT (LBIT) before depreciation and amortisation and the following non-cash items:	**5,424**	**3,294**	**8,718**		(489)	665	176	
Depreciation	**(6,827)**	**(1,394)**	**(8,221)**		(7,183)	(576)	(7,759)	
Amortisation of licence fees and other rights	**(552)**	**(771)**	**(1,323)**		(840)	(499)	(1,339)	
One-time gain arising from a revised **3** UK network sharing arrangement, net of provisions [f]	**2,268**	**-**	**2,268**		-	-	-	
One-time gain with reference to the assignment of telecommunications licence to **3** Italy [f]	**1,489**	**-**	**1,489**		-	-	-	
EBIT (LBIT) - Telecommunications - **3** Group [b]	**1,802**	**1,129**	**2,931**		(8,512)	(410)	(8,922)	
Change in fair value of investment properties	**855**	**3,343**	**4,198**		1,117	546	1,663	
Profit on disposal of investments (see note 3)	**-**	**-**	**-**		12,472	-	12,472	
EBIT	**21,545**	**24,793**	**46,338**		26,242	16,077	42,319	
Group's share of the following income statement items of associated companies and jointly controlled entities:								
Interest and other finance costs	**-**	**(3,830)**	**(3,830)**		-	(3,412)	(3,412)	
Current tax	**-**	**(3,015)**	**(3,015)**		-	(4,865)	(4,865)	
Deferred tax	**-**	**(2,099)**	**(2,099)**		-	1,267	1,267	
Non-controlling interests	**-**	**2**	**2**		-	-	-	
	21,545	**15,851**	**37,396**		26,242	9,067	35,309	

	Depreciation and amortisation					
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**2010 Total HK$ millions**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	2009 Total HK$ millions
ESTABLISHED BUSINESSES						
Ports and related services	**3,314**	**647**	**3,961**	3,056	544	3,600
Property and hotels	**283**	**149**	**432**	269	145	414
Retail	**1,809**	**406**	**2,215**	1,918	376	2,294
Cheung Kong Infrastructure	**142**	**2,411**	**2,553**	127	2,012	2,139
Husky Energy	**-**	**5,914**	**5,914**	-	5,893	5,893
Finance & Investments	**63**	**-**	**63**	66	-	66
Hutchison Telecommunications Hong Kong Holdings	**1,080**	**1**	**1,081**	1,296	2	1,298
Hutchison Asia Telecommunications	**795**	**-**	**795**	572	-	572
Telecommunications - Israel Operations	**-**	**-**	**-**	855	-	855
Others	**67**	**127**	**194**	76	69	145
Subtotal - Established businesses	**7,553**	**9,655**	**17,208**	8,235	9,041	17,276
TELECOMMUNICATIONS - 3 Group	**7,379**	**2,165**	**9,544**	8,023	1,075	9,098
	14,932	**11,820**	**26,752**	16,258	10,116	26,374

2 Operating segment information (continued)

	Capital expenditure			
	Fixed assets, investment properties and leasehold land HK$ millions	**Telecom-munications licences HK$ millions**	**Brand names and other rights HK$ millions**	**2010 Total HK$ millions**
ESTABLISHED BUSINESSES				
Ports and related services	**6,726**	**-**	**-**	**6,726**
Property and hotels	**127**	**-**	**-**	**127**
Retail	**1,791**	**-**	**-**	**1,791**
Cheung Kong Infrastructure	**70**	**-**	**-**	**70**
Husky Energy	**-**	**-**	**-**	**-**
Finance & Investments	**8**	**-**	**-**	**8**
Hutchison Telecommunications Hong Kong Holdings	**1,118**	**-**	**18**	**1,136**
Hutchison Asia Telecommunications	**2,411**	**-**	**70**	**2,481**
Telecommunications - Israel Operations	**-**	**-**	**-**	**-**
Others	**111**	**-**	**-**	**111**
Subtotal - Established businesses	**12,362**	**-**	**88**	**12,450**
TELECOMMUNICATIONS - 3 Group [g]	**9,375**	**146**	**373**	**9,894**
	21,737	**146**	**461**	**22,344**

	Capital expenditure			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2009 Total HK$ millions
ESTABLISHED BUSINESSES				
Ports and related services	4,970	-	-	4,970
Property and hotels	54	-	-	54
Retail	1,072	-	-	1,072
Cheung Kong Infrastructure	139	-	-	139
Husky Energy	-	-	-	-
Finance & Investments	19	-	-	19
Hutchison Telecommunications Hong Kong Holdings	1,042	-	69	1,111
Hutchison Asia Telecommunications	2,759	-	-	2,759
Telecommunications - Israel Operations	1,134	-	-	1,134
Others	59	-	-	59
Subtotal - Established businesses	11,248	-	69	11,317
TELECOMMUNICATIONS - 3 Group [g]	7,834	-	425	8,259
	19,082	-	494	19,576

	Total assets							
	Company and Subsidiaries		**Investments in associated companies and interests in joint ventures**		Company and Subsidiaries		Investments in associated companies and interests in joint ventures	
	Segment assets[h] HK$ millions	**Deferred tax assets HK$ millions**	**HK$ millions**	**2010 Total assets HK$ millions**	Segment assets[h] HK$ millions	Deferred tax assets HK$ millions	HK$ millions	2009 Total assets HK$ millions
ESTABLISHED BUSINESSES								
Ports and related services	**96,734**	**172**	**13,892**	**110,798**	96,854	145	13,129	110,128
Property and hotels	**50,732**	**117**	**24,737**	**75,586**	49,998	138	23,767	73,903
Retail	**45,254**	**680**	**5,239**	**51,173**	47,319	937	5,014	53,270
Cheung Kong Infrastructure	**14,303**	**9**	**56,146**	**70,458**	19,118	7	39,065	58,190
Husky Energy	**-**	**-**	**43,493**	**43,493**	-	-	39,987	39,987
Finance & Investments	**110,007**	**-**	**794**	**110,801**	91,528	-	828	92,356
Hutchison Telecommunications Hong Kong Holdings	**16,783**	**369**	**265**	**17,417**	16,355	369	272	16,996
Hutchison Asia Telecommunications	**18,011**	**-**	**-**	**18,011**	21,436	-	-	21,436
Telecommunications - Israel Operations	**-**	**-**	**-**	**-**	-	-	-	-
Others	**9,252**	**10**	**2,065**	**11,327**	9,081	7	1,891	10,979
Subtotal - Established businesses	**361,076**	**1,357**	**146,631**	**509,064**	351,689	1,603	123,953	477,245
TELECOMMUNICATIONS - 3 Group [i]	**186,436**	**12,748**	**12,929**	**212,113**	188,735	13,054	11,331	213,120
	547,512	**14,105**	**159,560**	**721,177**	540,424	14,657	135,284	690,365

2 Operating segment information (continued)

	Total liabilities							
	Segment liabilities[j]	**Current & non-current borrowings[k] and other non-current liabilities**	**Current & deferred tax liabilities**	**2010 Total liabilities**	Segment liabilities[j]	Current & non-current borrowings[k] and other non-current liabilities	Current & deferred tax liabilities	2009 Total liabilities
	HK$ millions	**HK$ millions**	**HK$ millions**	**HK$ millions**	HK$ millions	HK$ millions	HK$ millions	HK$ millions
ESTABLISHED BUSINESSES								
Ports and related services	**17,542**	**41,865**	**6,449**	**65,856**	15,383	43,988	6,323	65,694
Property and hotels	**1,872**	**693**	**6,558**	**9,123**	1,666	732	6,209	8,607
Retail	**21,381**	**6,328**	**973**	**28,682**	20,393	6,978	685	28,056
Cheung Kong Infrastructure	**1,945**	**8,489**	**1,053**	**11,487**	1,558	7,871	1,041	10,470
Husky Energy	**-**	**-**	**-**	**-**	-	-	-	-
Finance & Investments	**3,006**	**85,673**	**793**	**89,472**	2,990	80,416	334	83,740
Hutchison Telecommunications Hong Kong Holdings	**3,990**	**4,175**	**198**	**8,363**	3,271	4,991	140	8,402
Hutchison Asia Telecommunications	**4,339**	**2,622**	**584**	**7,545**	4,062	2,661	1,374	8,097
Telecommunications - Israel Operations	**-**	**-**	**-**	**-**	-	-	-	-
Others	**1,757**	**412**	**233**	**2,402**	1,796	320	216	2,332
Subtotal - Established businesses	**55,832**	**150,257**	**16,841**	**222,930**	51,119	147,957	16,322	215,398
TELECOMMUNICATIONS - 3 Group	**26,759**	**118,437**	**349**	**145,545**	24,346	130,427	282	155,055
	82,591	**268,694**	**17,190**	**368,475**	75,465	278,384	16,604	370,453

Additional disclosures by geographical location are shown below:

	Revenue							
	Company and Subsidiaries	**Associates and JCE**	**2010 Total**		Company and Subsidiaries	Associates and JCE	2009 Total	
	HK$ millions	**HK$ millions**	**HK$ millions**	**%**	HK$ millions	HK$ millions	HK$ millions	**%**
Hong Kong	**45,618**	**12,839**	**58,457**	**18%**	40,900	10,589	51,489	17%
Mainland China	**25,839**	**13,436**	**39,275**	**12%**	21,293	12,991	34,284	11%
Asia and Australia	**20,370**	**22,511**	**42,881**	**13%**	31,597	12,478	44,075	15%
Europe	**109,887**	**22,273**	**132,160**	**41%**	108,837	19,455	128,292	43%
Americas and others	**7,466**	**45,683**	**53,149**	**16%**	6,181	36,228	42,409	14%
	209,180	**116,742**	**325,922**	**100%**	208,808	91,741	300,549	100%

	EBIT (LBIT) [b]							
	Company and Subsidiaries	**Associates and JCE**	**2010 Total**		Company and Subsidiaries	Associates and JCE	2009 Total	
	HK$ millions	**HK$ millions**	**HK$ millions**	**%**	HK$ millions	HK$ millions	HK$ millions	**%**
Hong Kong	**6,180**	**5,556**	**11,736**	**25%**	4,710	4,607	9,317	22%
Mainland China	**6,012**	**5,016**	**11,028**	**24%**	5,037	5,006	10,043	24%
Asia and Australia	**1,271**	**4,801**	**6,072**	**13%**	4,686	765	5,451	13%
Europe	**5,540**	**2,965**	**8,505**	**19%**	(3,843)	1,906	(1,937)	-5%
Americas and others	**1,687**	**3,112**	**4,799**	**10%**	2,063	3,247	5,310	13%
Change in fair value of investment properties	**855**	**3,343**	**4,198**	**9%**	1,117	546	1,663	4%
Profit on disposal of investments (see note 3)	**-**	**-**	**-**	-	12,472	-	12,472	29%
EBIT	**21,545**	**24,793**	**46,338**	**100%**	26,242	16,077	42,319	100%
Group's share of the following income statement items of associated companies and jointly controlled entities:								
Interest and other finance costs	**-**	**(3,830)**	**(3,830)**		-	(3,412)	(3,412)	
Current tax	**-**	**(3,015)**	**(3,015)**		-	(4,865)	(4,865)	
Deferred tax	**-**	**(2,099)**	**(2,099)**		-	1,267	1,267	
Non-controlling interests	**-**	**2**	**2**		-	-	-	
	21,545	**15,851**	**37,396**		26,242	9,067	35,309	

2 Operating segment information (continued)

	Capital expenditure (g)			
	Fixed assets, investment properties and leasehold land HK$ millions	**Telecom-munications licences HK$ millions**	**Brand names and other rights HK$ millions**	**2010 Total HK$ millions**
Hong Kong	**1,881**	**-**	**14**	**1,895**
Mainland China	**1,587**	**-**	**-**	**1,587**
Asia and Australia	**3,698**	**-**	**73**	**3,771**
Europe	**12,855**	**146**	**373**	**13,374**
Americas and others	**1,716**	**-**	**1**	**1,717**
	21,737	**146**	**461**	**22,344**

	Capital expenditure (g)			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2009 Total HK$ millions
Hong Kong	1,380	-	69	1,449
Mainland China	922	-	-	922
Asia and Australia	5,229	-	-	5,229
Europe	9,942	-	425	10,367
Americas and others	1,609	-	-	1,609
	19,082	-	494	19,576

	Total assets							
	Company and Subsidiaries		**Investments in associated**		Company and Subsidiaries		Investments in associated	
	Segment assets(h) HK$ millions	**Deferred tax assets HK$ millions**	**companies and interests in joint ventures HK$ millions**	**2010 Total assets HK$ millions**	Segment assets(h) HK$ millions	Deferred tax assets HK$ millions	companies and interests in joint ventures HK$ millions	2009 Total assets HK$ millions
Hong Kong	**100,421**	**743**	**31,869**	**133,033**	99,449	866	32,348	132,663
Mainland China	**54,001**	**156**	**29,272**	**83,429**	43,767	15	26,402	70,184
Asia and Australia	**46,816**	**205**	**27,571**	**74,592**	40,995	71	23,296	64,362
Europe	**271,801**	**12,914**	**21,642**	**306,357**	267,766	13,616	8,742	290,124
Americas and others	**74,473**	**87**	**49,206**	**123,766**	88,447	89	44,496	133,032
	547,512	**14,105**	**159,560**	**721,177**	540,424	14,657	135,284	690,365

(a) The percentages shown represent the contributions to total revenues and EBIT of established businesses.

(b) Earnings (losses) before interest expense and tax ("EBIT" or "LBIT") represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group’s share of the EBIT (LBIT) of associated companies and jointly controlled entities. EBIT (LBIT) is defined as earnings (losses) before interest expense and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group’s financial information and consolidated financial statements and is used by many industries and investors as one measure of profit (loss) from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group’s internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment profit or loss in accordance with HKFRS 8. EBIT (LBIT) is not a measure of financial performance under generally accepted accounting principles in Hong Kong and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to profit (loss) from operations as determined in accordance with generally accepted accounting principles in Hong Kong.

"EBIT – Established businesses" and "EBIT (LBIT) – Telecommunications – **3** Group" are presented before the change in fair value of investment properties and profit (loss) on disposal of investments.

(c) Included in EBIT of Ports and related services in 2010 are valuation gains totalling HK$550 million in relation to an available-for-sale investment. These gains were previously recorded directly into reserves but are currently recognised in this year's income statement as a result of the investment becoming an associated company in the year (see note 1(b)).

(d) Included in EBIT of Finance & Investments in 2009 is a foreign exchange gain of HK$930 million arising from the repayment of non-Hong Kong dollar loans from a jointly controlled entity.

(e) Included in EBIT of Hutchison Asia Telecommunications are contributions from certain suppliers amounting to HK$669 million (2009 - HK$155 million).

2 Operating segment information (continued)

(f) Included in EBIT (LBIT) of Telecommunications – **3** Group in 2010 are a one-time net gain of HK$2,268 million arising from a revised **3** UK network sharing arrangement whereby **3** UK received the right of use of approximately 3,000 cell sites, free of acquisition and future operating costs, for a gain of HK$6,010 million, partially offset by one-time provisions of HK$3,742 million mainly related to the restructuring of **3** UK's network infrastructure, and a one-time gain with reference to the assignment of two blocks of 5MHz of 1,800MHz spectrum to **3** Italy.

(g) Included in capital expenditures of Telecommunications – **3** Group in 2010 is the effect of foreign exchange translation of overseas subsidiaries' fixed assets balances at 31 December 2010 which has an effect of decreasing total expenditure by HK$604 million (2009 – increasing total expenditure by HK$289 million).

(h) Segment assets comprise fixed assets, investment properties, leasehold land, telecommunications licences, goodwill, brand names and other rights, other non-current assets, liquid funds and other listed investments, cash and cash equivalents and other current assets. Included in segment assets presented by geographical location are non-current assets (excluding financial instruments, deferred tax assets, post-employment benefits assets and assets from insurance contracts) for Hong Kong, Mainland China, Asia and Australia, Europe, and Americas and others of HK$79,214 million (2009 – HK$78,867million), HK$25,013 million (2009 – HK$24,418 million), HK$21,843 million (2009 – HK$19,977 million), HK$205,044 million (2009 – HK$214,950 million) and HK$16,068 million (2009 – HK$16,453 million) respectively.

(i) Included in total assets of Telecommunications – **3** Group is an unrealised foreign currency exchange loss arising in 2010 of HK$8,086 million (2009 – gain of HK$8,408 million) from the translation of overseas subsidiaries accounts to Hong Kong dollars with an offsetting amount recorded in exchange reserve.

(j) Segment liabilities comprise trade and other payables and pension obligations.

(k) Current and non-current borrowings comprise bank and other debts and interest bearing loans from non-controlling shareholders.

3 Profit on disposal of investments

	2010 **HK$ millions**	2009 HK$ millions
ESTABLISHED BUSINESSES		
Gain on disposal of equity interest in Partner Communications Company Limited	-	7,392
Gain on disposal of equity interest in three power plants in Mainland China	-	847
Profit on disposal of certain telecommunications tower assets in Indonesia	-	592
TELECOMMUNICATIONS - 3 Group		
Gain on merger of **3** Australia with Vodafone's Australian operations	-	3,641
	-	12,472

4 Interest and other finance costs

	2010 HK$ millions	2009 HK$ millions
Bank loans and overdrafts	**1,474**	1,907
Other loans repayable within 5 years	**59**	98
Other loans not wholly repayable within 5 years	**18**	20
Notes and bonds repayable within 5 years	**2,968**	3,449
Notes and bonds not wholly repayable within 5 years	**3,028**	3,175
	7,547	8,649
Interest bearing loans from non-controlling shareholders repayable within 5 years	**245**	275
Interest bearing loans from non-controlling shareholders not wholly repayable within 5 years	**57**	74
	7,849	8,998
Amortisation of loan facilities fees and premiums or discounts relating to borrowings	**243**	347
Notional non-cash interest accretion [a]	**470**	356
Other finance costs	**72**	188
	8,634	9,889
Less: interest capitalised [b]	**(158)**	(276)
	8,476	9,613

(a) Notional non-cash interest accretion represents notional adjustments to accrete the carrying amount of certain obligations recognised in the statement of financial position such as asset retirement obligation to the present value of the estimated future cash flows expected to be required for their settlement in the future.

(b) Borrowing costs have been capitalised at various applicable rates ranging from 0.3% to 6.0% per annum (2009 - 0.3% to 6.0% per annum).

5 Tax

	Current tax HK$ millions	Deferred tax HK$ millions	2010 Total HK$ millions	Current tax HK$ millions	Deferred tax HK$ millions	2009 Total HK$ millions
Hong Kong	**581**	**978**	**1,559**	529	(143)	386
Outside Hong Kong	**1,912**	**(131)**	**1,781**	4,059	51	4,110
	2,493	**847**	**3,340**	4,588	(92)	4,496

Hong Kong profits tax has been provided for at the rate of 16.5% (2009 – 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

6 Earnings per share for profit attributable to ordinary shareholders of the Company

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company HK$20,038 million (2009 - HK$13,631 million) and on 4,263,370,780 shares in issue during 2010 (2009 - 4,263,370,780 shares).

The Company has no share option scheme. Certain of the Company's subsidiary and associated companies have employee share options outstanding as at 31 December 2010. The employee share options of these subsidiary and associated companies outstanding as at 31 December 2010 did not have a dilutive effect on earnings per share.

7 Dividends

	2010 HK$ millions	2009 HK$ millions
Dividends		
Interim dividend	**2,174**	2,174
Final dividend	**6,011**	5,201
	8,185	7,375
Dividends per share		
Interim dividend	**HK$ 0.51**	HK$ 0.51
Final dividend	**HK$ 1.41**	HK$ 1.22
	HK$ 1.92	HK$ 1.73

8 Cash and cash equivalents

	2010 HK$ millions	2009 HK$ millions
Cash at bank and in hand	**29,690**	23,472
Short term bank deposits	**61,962**	69,049
	91,652	92,521

The carrying amount of cash and cash equivalents approximates their fair value.

9 Trade and other receivables

	2010 HK$ millions	2009 HK$ millions
Trade receivables	**30,484**	29,081
Less: provision for estimated impairment losses for bad debts	**(5,563)**	(5,852)
Trade receivables - net	**24,921**	23,229
Other receivables and prepayments	**32,112**	24,481
Cash flow hedges		
Forward foreign exchange contracts	**196**	436
	57,229	48,146

Trade and other receivables are stated at the expected recoverable amount, net of any estimated impairment losses for bad debts where it is deemed that a receivable may not be fully recoverable.

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group has established credit policies for customers in each of its core businesses. The average credit period granted for trade receivables ranges from 30 to 45 days. The carrying amount of these assets approximates their fair value. As stated above trade receivables which are past due at the end of the reporting period are stated at the expected recoverable amount, net of provision for estimated impairment losses for bad debts. Given the profile of our customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

The Group's five largest customers contributed less than 6% of the Group's turnover for the years ended 31 December 2010 and 2009.

At 31 December, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	2010 HK$ millions	2009 HK$ millions
Less than 31 days	**12,629**	11,147
Within 31 to 60 days	**2,191**	1,982
Within 61 to 90 days	**841**	826
Over 90 days	**14,823**	15,126
	30,484	29,081

10 Trade and other payables

	2010	2009
	HK$ millions	HK$ millions
Trade payables	**22,460**	18,409
Other payables and accruals	**54,429**	50,108
Provisions	**1,613**	2,378
Interest free loans from non-controlling shareholders	**2,327**	2,099
Cash flow hedges		
Interest rate swaps	**-**	20
Cross currency interest rate swaps	**-**	5
Forward foreign exchange contracts	**60**	10
	80,889	73,029

At 31 December, the ageing analysis of the trade payables is as follows:

	2010	2009
	HK$ millions	HK$ millions
Less than 31 days	**13,842**	8,828
Within 31 to 60 days	**2,145**	2,701
Within 61 to 90 days	**863**	964
Over 90 days	**5,610**	5,916
	22,460	18,409

The Group's five largest suppliers accounted for less than 22% of the Group's cost of purchases for the years ended 31 December 2010 and 2009.

GROUP CAPITAL RESOURCES AND LIQUIDITY

Treasury Management

The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. The Group cautiously uses derivatives, principally interest rate and foreign currency swaps and forward currency contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's assets and liabilities. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, with significant underlying leverage or derivative exposure.

Cash Management and Funding

The Group operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-US dollar currencies, the Group generally obtains long-term financing at the Group level to on-lend or contribute as equity to its subsidiaries and associates to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, which change depending upon financial market conditions and projected interest rates. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

Interest Rate Exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 31 December 2010, approximately 40% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 60% were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$71,300 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$4,270 million principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 67% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 33% were at fixed rates at 31 December 2010.

Foreign Currency Exposure

For overseas subsidiaries and associates and other investments, which consist of non-HK dollar or non-US dollar assets, the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For overseas businesses that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cashflow and the relevant debt markets with a view to refinancing these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to the underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in overseas subsidiaries and associates. During the year, the currencies of certain countries, notably the Euro and British pound, where the Group has overseas operations, weakened against the Hong Kong dollar. This gave rise to an unrealised loss of approximately HK$2,610 million (2009 – gain of HK$15,813 million) on translation of these operations' net assets to the Group's Hong Kong dollar reporting currency, including the Group's share of the translation gains and losses of associated companies and jointly controlled entities. This unrealised loss is reflected as a movement in the Consolidated Statement of Changes in Equity under the heading of exchange reserve.

At 31 December 2010, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK$28,593 million to Hong Kong dollar principal amount of borrowings to match the currency exposures of the underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, are denominated as follows: 31% in HK dollars, 29% in US dollars, 28% in Euro, 5% in British Pounds and 7% in other currencies.

Credit Exposure

The Group's holdings of cash, managed funds and other liquid investments, and interest rate and foreign currency swaps and forward currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements, credit ratings and setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, which is continuously monitored by the local operational management.

Credit Profile

The Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings of A3 on the Moody's Investor Service scale, A- on the Standard & Poor's Rating Services scale and A- on the Fitch Ratings scale. Actual credit ratings may depart from these levels from time to time due to economic circumstances. At 31 December 2010, our long-term credit ratings were A3 from Moody's, A- from Standard & Poor's and A- from Fitch.

Market Price Risk

The Group's main market price risk exposures relate to listed / traded debt and equity securities described in "Liquid Assets" below and the interest rate swaps as described in "Interest Rate Exposure" above. The Group's holding of listed / traded debt and equity securities represented approximately 20% (2009 – approximately 19%) of the cash, liquid funds and other listed investments ("liquid assets"). The Group controls this risk through monitoring the price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

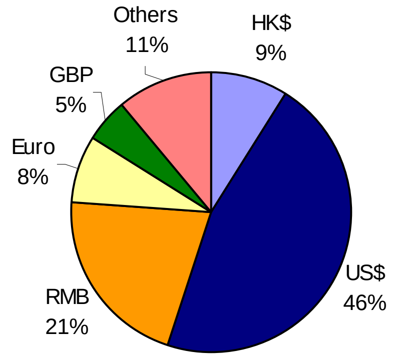
Liquid Assets

The Group continues to be in a healthy financial position. Liquid assets amounted to HK$116,237 million at 31 December 2010, an increase from HK$115,734 million at the end of 2009, mainly reflecting the higher cash flow from the operations of both the established businesses and **3** Group, as well as the proceeds from the issuance of perpetual capital securities in 2010 of US$2 billion and US$1 billion by HWL and CKI respectively, offset by the utilisation of cash for the acquisition of fixed assets, investments in the UK Power Assets businesses and the Group's 34.55% share of Husky Energy's C$1 billion common share placement, dividend payments and the payment of HK$4,199 million to non-controlling interests of Hutchison Telecommunications International ("HTIL") pursuant to the scheme to privatise HTIL. Liquid assets were denominated as to 9% in HK dollars, 46% in US dollars, 21% in Renminbi, 8% in Euro, 5% in British Pounds and 11% in other currencies.

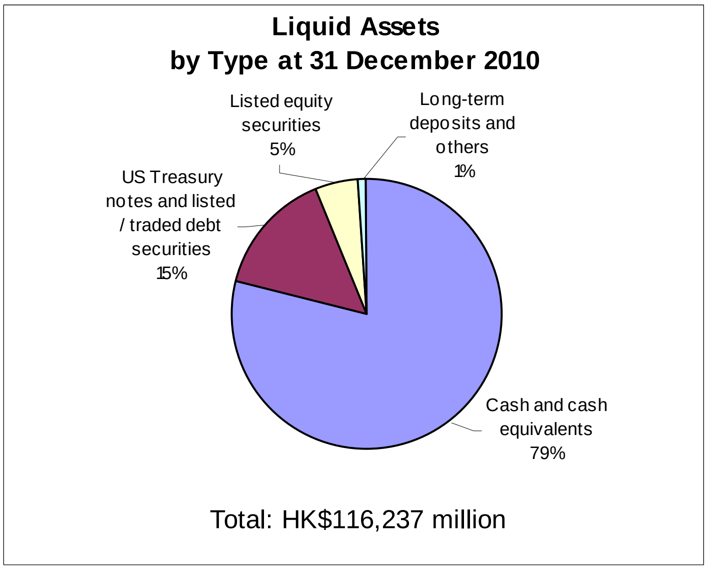
Cash and cash equivalents represented 79% (2009 – 80%) of the liquid assets, US Treasury notes and listed / traded debt securities 15% (2009 – 15%), listed equity securities 5% (2009 – 4%) and long-term deposits and others 1% (2009 – 1%).

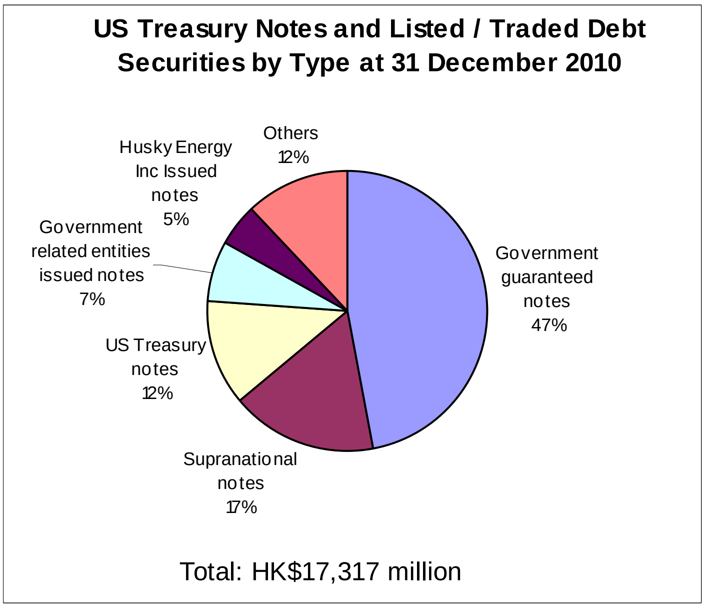
The US Treasury notes and listed / traded debt securities, including those held under managed funds, consisted of government guaranteed notes (47%), supranational notes (17%) , US Treasury notes (12%), government related entities issued notes (7%), notes issued by the Group's associated company, Husky Energy Inc. (5%) and others (12%). Of these US Treasury notes and listed / traded debt securities, 77% are rated at Aaa/AAA with an average maturity of 1.1 years on the overall portfolio. The Group has no exposure in mortgage backed securities, collateralised debt obligations or similar asset classes.

Liquid Assets by Currency Denomination at 31 December 2010



Total: HK$116,237 million





Cash Flow

Consolidated EBITDA before and after all telecommunications CACs amounted to HK$85,475 million and HK$65,135 million respectively for 2010, increases of 4% and 3% respectively compared to last year. Total CACs of all of the Group's telecommunications operations amounted to HK$20,340 million for the year, a 7% increase compared to 2009, reflecting the increase in the number of customers acquired and retained during the year, particularly the acquisition of smartphone customers in the second half, partially offset by a 14% reduction in the unit cost to acquire a customer. Consolidated funds from operations ("FFO") after all telecommunications CACs, but before cash profits from disposals, capital expenditures and changes in working capital amounted to HK$32,882 million, a 33% increase compared to last year.

The Group's capital expenditures increased 14% to total HK$22,344 million during 2010 (2009 – HK$19,576 million), primarily due to higher capital expenditures for the ports division on continuing developments, retail store expansion, as well as **3** Group on network enhancements, partially offset by reduced telecommunications expenditure after the disposal of the Group's entire shareholding in Partner Communications in Israel in October 2009. Capital expenditures for the ports and related services division amounted to HK$6,726 million (2009 – HK$4,970 million); for the property and hotels division HK$127 million (2009 – HK$54 million); for the retail division HK$1,791 million (2009 – HK$1,072 million); for the energy and infrastructure division HK$70 million (2009 – HK$139 million); for the finance and investments division HK$8 million (2009 – HK$19 million); for HTHKH HK$1,136 million (2009 – HK$1,111 million); for HAT HK$2,481 million (2009 – HK$2,759 million); for Partner Communications HK$nil (2009 – HK$1,134 million); for others HK$111 million (2009 – HK$59 million); and for **3** Group HK$9,894 million (2009 – HK$8,259 million).

Purchases of and advances to (including deposits from) associated companies and jointly controlled entities totalled HK$16,056 million (2009 – net repayment of previous advances of HK$1,449 million), mainly reflecting the acquisition of UK Power Networks and Seabank Power, both located in the United Kingdom, as well as the investment by the Group to take up its 34.55% share of the C$1 billion common share placement by Husky Energy.

The capital expenditures and investments of the Group are primarily funded by cash generated from operations, cash on hand and to the extent appropriate, by external borrowings.

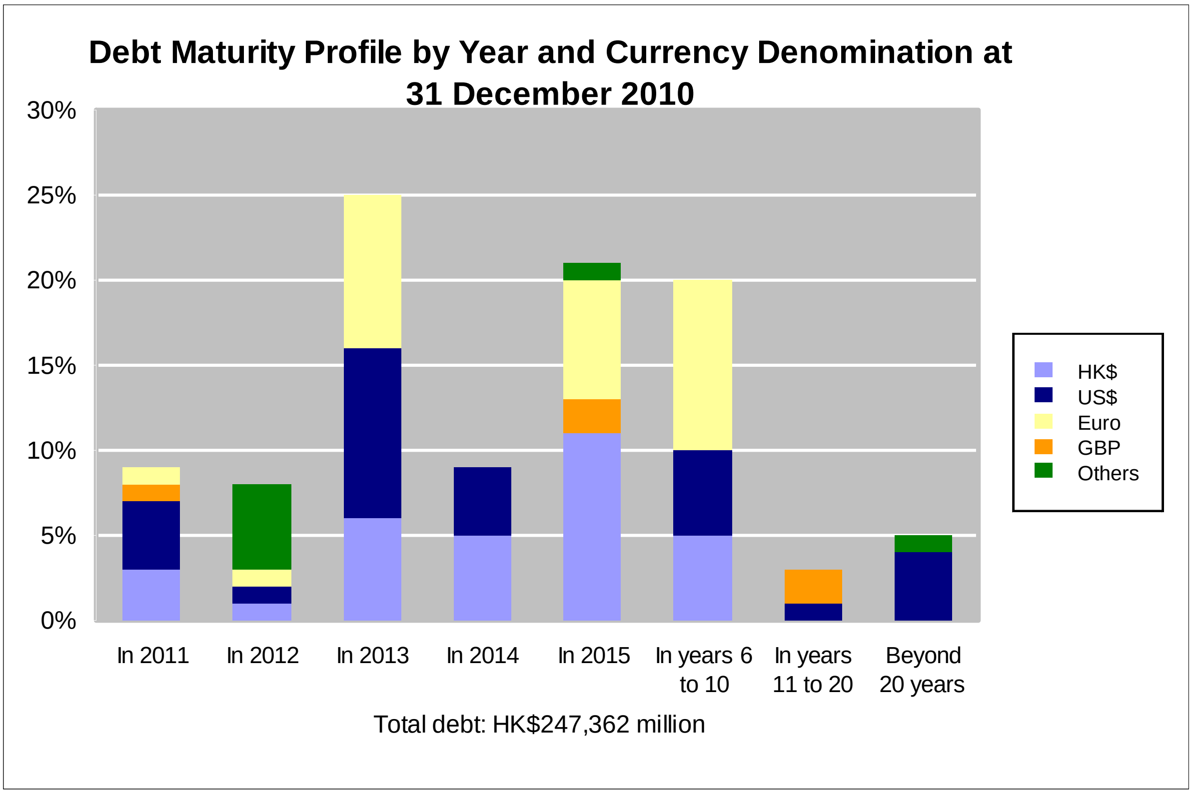
Debt Maturity and Currency Profile

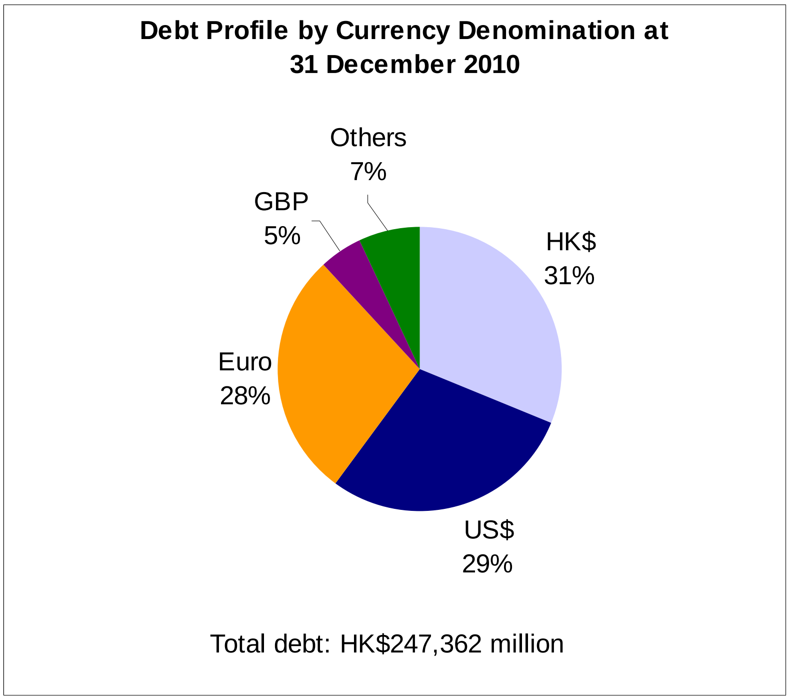
The Group's total principal amount of bank and other debts at 31 December 2010 decreased 5% to total HK$247,362 million (2009 – HK$259,089 million), of which 60% (2009 – 62%) are notes and bonds and 40% (2009 – 38%) are bank and other loans. The net decrease in principal amount of bank and other debts was primarily due to the repayment of debts as they matured and also early repayment of certain debts totalling HK$49,434 million, as well as the favourable effect of the translation of foreign currency denominated loans to Hong Kong dollars of HK$3,817 million, partially offset by new borrowings of HK$41,232 million. The Group's weighted average cost of debt for 2010 reduced 0.2% to 3.0% (2009 – 3.2%). Interest bearing loans from non-controlling interests, which are viewed as quasi-equity, totalled HK$13,493 million at 31 December 2010 (2009 – HK$13,424 million).

The maturity profile of the Group's total principal amount of bank and other debts at 31 December 2010 is set out below:

	HK$	US$	Euro	GBP	Others	Total
In 2011	3%	4%	1%	1%	-	**9%**
In 2012	1%	1%	1%	-	5%	**8%**
In 2013	6%	10%	9%	-	-	**25%**
In 2014	5%	4%	-	-	-	**9%**
In 2015	11%	-	7%	2%	1%	**21%**
In years 6 to 10	5%	5%	10%	-	-	**20%**
In years 11 to 20	-	1%	-	2%	-	**3%**
Beyond 20 years	-	4%	-	-	1%	**5%**
Total	**31%**	**29%**	**28%**	**5%**	**7%**	**100%**

The non-HK dollar and non-US dollar denominated loans are either directly related to the Group's businesses in the countries of the currencies concerned, or the loans are balanced by assets in the same currencies. None of the Group's consolidated borrowings, as a matter of policy, have credit rating triggers that would accelerate the maturity dates of the debt outstanding.





Changes in Financing
The significant financing activities in 2010 were as follows:

- In February, obtained a five-year, floating rate loan facility of HK$1,000 million to refinance existing indebtedness;
- In March, obtained a five-year, floating rate loan facility of HK$1,000 million to refinance existing indebtedness;
- In March, obtained a five-year, floating rate syndicated loan facility of HK$3,800 million to refinance existing indebtedness;
- In March, prepaid a HK$5,000 million loan facility maturing later in 2010;
- In April, obtained two five-year, floating rate loan facilities, each of HK$1,000 million, to refinance existing indebtedness;
- In June, listed subsidiary CKI obtained a two-year, floating rate term syndicated bank loan facility of A$210 million (approximately HK$1,334 million) to refinance existing indebtedness;
- In June, obtained a five-year, floating rate loan of THB4,905 million (approximately HK$1,180 million) and repaid a floating rate term loan facility of THB5,660 million (approximately HK$1,361 million) on maturity;
- In June, prepaid a HK$3,800 million loan facility maturing later in 2010;
- In November, obtained a five-year, floating rate loan facility of €320 million (approximately HK$3,264) million to refinance existing indebtedness;
- In November, repaid on maturity fixed rate notes of US$1,045 million (approximately HK$8,157 million);
- In November and December, prepaid a floating rate loan facility of HK$4,000 million maturing in 2011;
- In December, obtained a three-year, floating rate loan facility of HK$3,500 million to refinance existing indebtedness;
- In December, prepaid a floating rate loan facility of HK$5,500 million maturing in 2011;
- In December, obtained three five-year, floating rate loan facilities, each of HK$1,000 million, to refinance existing indebtedness; and
- In December, refinanced a floating rate syndicated loan facility of €600 million (approximately HK$6,120 million).

Subsequent to the year end:
- In February this year, repaid on maturity fixed rate notes of US$1,100 million (approximately HK$8,581 million).

Capital, Net Debt and Interest Coverage Ratios

The Group's total ordinary shareholders' funds and perpetual capital securities increased 10% to HK$309,497 million at 31 December 2010, compared to HK$282,499 million, at 31 December 2009 (as restated), reflecting the profits for 2010 net of dividends paid and the issuance of perpetual capital securities in 2010 of US$2 billion (HK$15,600 million) by HWL. At 31 December 2010, the consolidated net debt of the Group, excluding interest bearing loans from non-controlling interests which are viewed as quasi-equity, unamortised loan facilities fees and premiums or discounts on issue and fair value changes of interest rate swap contracts, was HK$131,125 million (2009 – HK$143,355 million), a reduction of 9% compared to the net debt at the beginning of the year. The Group's net debt to net total capital ratio at 31 December 2010 reduced to 26.2% (2009 – 29.9%). In March 2011, the Group's consolidated net debt reduced significantly due to the net cash proceeds of approximately HK$45,000 million from the IPO of HPH Trust and the net debt to net total capital ratio is expected to reduce to around 20% in 2011.

The following table shows the net debt to net total capital ratio calculated on the basis of including interest bearing loans from non-controlling interests and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at 31 December 2010. This ratio is affected by foreign currency translation effects on total ordinary shareholders' funds and perpetual capital securities and on debt balances as shown below.

Net debt / Net total capital ratios at 31 December 2010:	**Before the effect of foreign currency translation and other non-cash movements**	**After the effect of foreign currency translation and other non-cash movements**
A1: excluding interest bearing loans from non-controlling interests from debt	26.8%	26.2%
A2: as in A1 above and investments in listed subsidiaries and associated companies marked to market value	24.0%	23.5%
B1: including interest bearing loans from non-controlling interests as debt	29.4%	28.9%
B2: as in B1 above and investments in listed subsidiaries and associated companies marked to market value	26.4%	25.9%

The Group's consolidated gross interest expense and other finance costs of subsidiaries, before capitalisation, decreased 13% in 2010 to total HK$8,634 million, compared to HK$9,889 million in 2009, mainly due to lower effective market interest rates and lower average borrowings during the year.

Consolidated EBITDA and FFO before all CACs for the year covered consolidated net interest expense and other finance costs 13.6 times and 8.9 times respectively (31 December 2009, as restated – 11.5 times and 6.9 times).

Secured Financing

At 31 December 2010, assets of the Group totalling HK$963 million (2009 – HK$2,503 million) were pledged as security for bank and other debts.

Borrowing Facilities Available

Committed borrowing facilities available to Group companies but not drawn at 31 December 2010 amounted to the equivalent of HK$11,162 million (2009 – HK$20,340 million).

Contingent Liabilities

At 31 December 2010, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and jointly controlled entities totalling HK$5,805 million (2009 – HK$13,081 million), of which HK$5,122 million (2009 – HK$12,527 million) has been drawn down as at 31 December 2010, and also provided performance and other guarantees of HK$3,159 million (2009 – HK$5,039 million).

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2010, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's ordinary shares. In addition, the Company has not redeemed any of its ordinary shares during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company strives to attain the highest standards of corporate governance. Throughout the year ended 31 December 2010, the Company has been fully compliant with all code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the Group's code of conduct regarding Directors' securities transactions. All Directors of the Company have confirmed that throughout the year ended 31 December 2010, they have complied with the provisions of such Model Code.

REVIEW OF ACCOUNTS

The consolidated accounts of the Company and its subsidiary companies for the year ended 31 December 2010 have been reviewed by the Audit Committee of the Company and audited by the Company's auditor, PricewaterhouseCoopers. The unqualified auditor's report will be included in the Annual Report to shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 13 May 2011 to Friday, 20 May 2011, both dates inclusive for the purposes of determining shareholders' entitlement to the proposed final dividend and the attendance and voting at the 2011 Annual General Meeting.

In order to qualify for the proposed final dividend and be entitled to attend and vote at the 2011 Annual General Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on Thursday, 12 May 2011.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Friday, 20 May 2011. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed to make certain amendments to the Articles of Association of the Company to provide flexibility in poll voting process at general meetings and to align provisions for electronic corporate communication to shareholders of the Company with those of the Companies Ordinance. A circular containing details of the proposed changes will be sent to the shareholders together with the 2010 Annual Report.

As at the date of this announcement, the Directors of the Company are:

Executive Directors:
Mr LI Ka-shing *(Chairman)*
Mr LI Tzar Kuoi, Victor *(Deputy Chairman)*
Mr FOK Kin-ning, Canning
Mrs CHOW WOO Mo Fong, Susan
Mr Frank John SIXT
Mr LAI Kai Ming, Dominic
Mr KAM Hing Lam

Non-executive Directors:
Mr George Colin MAGNUS
Mr William SHURNIAK

Independent Non-executive Directors:
The Hon Sir Michael David KADOORIE
Mr Holger KLUGE
Mrs Margaret LEUNG KO May Yee
Mr William Elkin MOCATTA
(Alternate to The Hon Sir Michael David Kadoorie)
Mr WONG Chung Hin