

Newsbites

C O R P O R A T E

Corporate Video

Keeping pace with its fast-growing operations globally, **HWL** in December released its latest corporate video entitled *Success Through Excellence*, which is available on disc and via **HWL's** corporate website (www.hutchison-whampoa.com). The new three-and-a-half minute promotional film captures the company's global strengths and reflects its commitment to excellence in its five key business sectors. The visual



approach is highly contemporary, utilising a specialised Hollywood-style motion-control camera technique to create some stunning visual effects that connect all the diverse endeavours of **HWL** in a seamless flow of images. The film is further enhanced by a stirring orchestral music track and a rich, lyrical voice over.

Olympian Liquidity

In the buildup to the Beijing Olympics, **Hutchison Whampoa**, **Cheung Kong (Holdings)**, **Cheung Kong Infrastructure Holdings** and **Hongkong Electric** have collectively donated HK\$100 million towards building the National Swimming Centre. The facility will boast five pools, including one with a wave-making machine that is six times the size of an Olympic pool.

Noted

Chinese weekly newsmagazine *Yazhou Zhoukan* has named **Hutchison** "Top Chinese Company in the World", "Top EBIT Chinese Company", "Top Assets Chinese Company", "Top Chinese Company in Hong Kong" and "Top Conglomerate". **Hutchison** was also named No.2 in the category "Top Turnover Chinese Company."

Global Finance named **HWL** "Best Company in Asia – Conglomerates," *IR Magazine* highly commended it for "Best communications during a takeover or merger," and *FinanceAsia* named the company "Best borrower in Hong Kong." *Asia Equities Market Report 2004*, published by the Institutional Investor Research Group,

meanwhile named **Hutchison's** Frank Sixt "Best CFO - Conglomerates Sector (Sell-side View)". The survey was based on input from 105 investment professionals and 227 sell-side analysts.



T E L E C O M S

Hello Geo

UK

Geo, a new company wholly owned by **HWL**, went to market with the UK's newest and largest dedicated fibre communications network in October. **Geo** provides a telecoms infrastructure direct to telecom providers and UK businesses with large data needs and enables UK businesses to create their communications networks ready to scale for future growth.

Until now, telecom suppliers have resisted providing infrastructure direct to customers, preferring to sell managed services. **Geo** sets itself apart from other network owners by concentrating on infrastructure and not offering managed services. Instead, **Geo** works easily with companies with complementary abilities, helping customers build solutions to best meet their needs. The UK company estimates that by 2008

its addressable market from this sector will be worth up to £1.3 billion (approximately US\$2.4 billion). **Geo's** fully-owned backbone network links all of the UK's major commercial centres with three primary backbone rings spanning 2,000km and an urban network in 12 cities covering 325km. For more information, see: www.geo-uk.net

TELECOMS

Hutch Brings EDGE to India

INDIA

Hutch has become the first telecom operator in India to nationally roll out EDGE (Enhanced Data for GSM Evolution). The standard provides high-speed, multimedia mobile services and is deployed by leading GSM operators globally as an interim step towards 3G services. Following the July roll-out, Hutch launched *Hutch TV* in September, India's only multi-channel "TV-on-mobile" service, delivering content

from 13 different TV channels. Previously, *Hutch* has offered multimedia mobile services such as cricket video clips, mobile gaming, polyphonic ringtones, Click & Print MMS, *push2talk* and corporate e-mail through GPRS. With EDGE, *Hutch* can deliver longer video clips, allowing users to view their favourite serials, news bulletins, sports, lifestyle and travel programmes while on the move.



Far and Wide

Hutch launched its services in UP West and Uttaranchal on Nov. 1 with the widest cellular network in the region providing connectivity across 140 towns and cities covering over 1,000km of

national and state highways. *Hutch* users in the region can now experience the latest range of multimedia mobile services such as *Hutch TV*, *push2talk* and mobile gaming. The company also announced a special range of Hindi-language value-added services.

Down Memory Lane

In keeping with its philosophy of adding value and giving its users a unique experience, the **Hutch Classics Film Festival** – screened in Ahmedabad in August – showcased evergreen classic Hindi films from the 1950's. Hosted by renowned film and theatre personality, Farooque Shaikh, the festival featured classics like *Mother India*, *Mughal-e-Azam*, *Shree 420*, *Madhumati* and *Mr & Mrs 55*.



Partner Launches 3G

ISRAEL

Partner Communications

Company started offering 3G service through 160 sales points on Dec. 1, 2004, and became the first network to provide full commercial 3G services including P2P video calls in the central part of Israel. Israel is the eighth country to date in which HWL has launched 3G services.

million (approximately US\$356 million) and the network will become the core asset of the joint enterprise. H3G Australia has meanwhile successfully secured a A\$1.5 billion five-year loan facility from a syndicate of banks that fully covers anticipated peak funding requirements.

Centre, Handinweb China Stock Info Service, MSTAR.TV, Tencent QQ, KongZhong Dream Work and Any8 Color Wallpaper. Some of the Mainland's hottest Java games are provided by **Digifun** and **Coolrd**, and very soon by games provider **Magma-digital.com**.

3 for Two

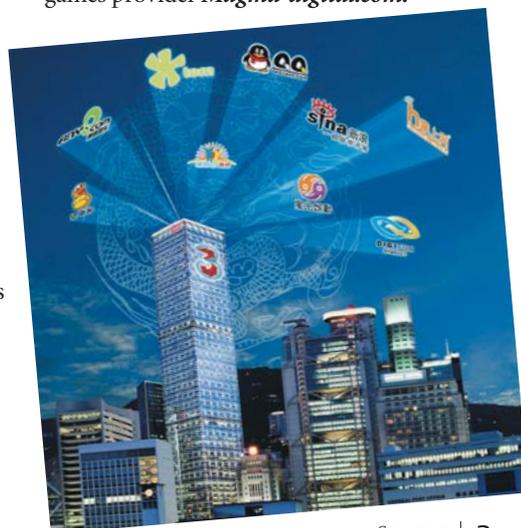
AUSTRALIA

H3G Australia in August signed a *Heads of Agreement* with **Telstra** to establish a 50-50 enterprise to jointly own and operate H3G Australia's existing 3G network and fund future network development. Telstra will pay **Hutchison** A\$450

GoChina Channel is Gateway to the Mainland

HONG KONG

3 Hong Kong has partnered with 10 leading mobile content service providers in Mainland China to deliver the *GoChina* channel. The *GoChina* channel is packed with content from **Tom.com**, **Sina News**



Newsbites

TELECOMS

Smaller and Smarter

GLOBAL

Starting in Italy, **Hutchison 3G** introduced the *Motorola A1000* in October, the smallest smartphone with UMTS technology to hit the market so far. Weighing in at only 160g, the *Motorola A1000* is compatible with GSM and GPRS triband, has an AGPS integrated system, USB and Bluetooth connectivity, 24MB internal memory expandable to 280MB, a removable card and battery life of up to 200 hours stand-by. It is the first UMTS videophone with a double-

integrated 1.2-megapixel camera and features the latest generation 2.9 inch touch screen display that allows fast access to 3 services. Thanks to a dedicated window, users can easily keep track of SMS, e-mail, MMS and appointments while maintaining easy access to the message centre. What's more, the *Motorola A1000* features a *Symbian Operating System* that allows users to view *MS Office* documents such as *Excel*, *Word* and *PDF*, and to surf the Web at speeds of up to 384kbps. Finally, the two

sharp polyphonic speakers make the *Motorola A1000* a real music player. In the UK, meanwhile, 3 has introduced no fewer than six new handset models ahead of the Christmas trading period, including the *Motorola A1000*. Other models are the *Motorola E1000*, *Motorola C975*, *NEC e338*, *LG U8130* and the *LG U8138*.



Multimedia Yacht

ITALY

3 Italy has joined forces with

Radiomarelli Multimedia to launch a "multimedia yacht" equipped with the first ever sea-based UMTS-enabled multimedia service, offering phone, fax and Internet connectivity within Italian waters.

Deploying GPS technology, the Radiomarelli Service Center (CSR) sends meteorological updates for the area where the yacht is situated. It communicates the course and the destination, regular weather updates, maritime reports, docking information and more.

Broadband Internet connectivity also provides satellite linkups for digital TV, with access to movies news and entertainment.

The new service targets ship owners and shipyards with **Pershing Spa** shipyard the first to adopt the solution.



Hooked Up

For the second year, fans of the popular *Big Brother* reality TV series are following events via *VideoDirect* connections between Italy's most famous house and their 3 videophones. During the previous *Big Brother* series, more than 50% of 3 clients connected to the house, for a total of almost 2 million minutes.

Goals Galore

3 Italy in September launched *93° Minute*, the first TV format conceived and fully created by a mobile communications operator. Presented by sexy hosts Gisella Donadoni and Viviana

Vesce, *93° Minute* offers video clips of the best championship football action, goals, comments and interviews. The show is live on air every Sunday at 17.45, earlier than any sports TV show. An updated edition is aired at 22.45, right after the end of the night match, with a roundup of the day's action. Those who miss the live action on Sunday can watch the entire show during the following week.

Providing even greater value for fans, 3 has meanwhile cut up to 30% off the price of *StadioLive* football video clips.



Nerve Centre

3 Italy has set up an advanced Service Operating Centre (SOC) in Trezzano sul Naviglio, Milan that coordinates the service distribution chain. It includes more than 4,500 base radio stations, 300 IT platforms and around 30 content providers. From the technical point of view, the SOC combines the traffic generated on the core voice and videotelephony network with that developed on IT platforms – two profoundly different worlds interacting with very sophisticated protocols. The SOC checks the operation of the 3 network and services via advanced monitoring systems that within seconds verify viability of content before it is put "on air". The end result is fluidity of the service, delivering a consistently high-quality signal.

TELECOMS

2-Million Milestone

3 Italy announced in September that it had hit the 2 million subscriber mark, up from 500,000 in March and 1 million in July. By the end of 2004, the **3** network will cover 75% of Italy's population of more than 57 million.



Better Business

Reflecting its commitment to provide the very best mobile business solutions, **3 Italy** has widened its offer with the introduction of three new packages. *nTREnet.flat* is a tariff plan that simplifies business management and reduces costs by providing competitive single-tariff calling. *Tre.Dati* allows for 25MB of traffic every day on the **3** network, for a monthly fee of €20.84 and without any set-up costs. *PostOffice* is a solution dedicated to technologically advanced medium-small companies that use an e-mail service provided by an external Internet Service Provider and have a high propensity to mobility. It allows the company to choose a domain, assign e-mail addresses to employees, allocate memory capability of mail boxes and to handle employees' personal data, keeping the company's list of contacts updated.

Mobile Video Jukebox

UK

3 has teamed up with major record company **BMG** to launch the first ever mobile video jukebox that enables **3** customers to stream the latest music videos direct to their video mobiles. Launched on Aug. 2, the new service lets **3** customers choose from a wide selection of the latest music videos.



Applause

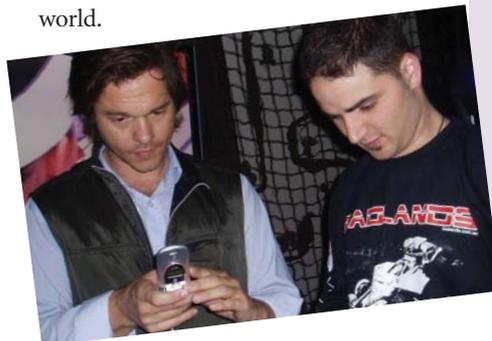
ThreePay, the market-leading pay-as-you-go offer from **3**, has been awarded "Best Pre-Pay Package" at the 2004 Mobile Choice awards. *ThreePay's* win follows another in June for **3's** contract price plans, which won the leading "Consumer Post-pay Price Plan" at the Mobile Retailer Awards. **3** was also runner-up in **Gartner's** "2004

CRM Excellence Awards" for the implementation of *PeopleSoft Enterprise Customer Relationship Management (CRM)*. The industry research firm commended **3** for the superiority of its CRM solution, which has significantly improved customer satisfaction while reducing support and maintenance costs.

Let's Play

AUSTRALIA

In an Australian first, **3** has launched *Badlands*, the first 3G multiplayer mobile game that allows players to go head to head against real opponents in real time via the **3** network. *Badlands* is a Java-based, tank-style game set in a post-apocalypse world.



Dream Service

SWEDEN

3 Sweden has launched an unusual service called *Drömboken*, (Dream Book) that helps subscribers interpret their dreams by explaining the meaning of 40,000 different subjects.

Newsbites

ENERGY & INFRASTRUCTURE

Husky Q3 Results

Husky Energy reported net earnings of C\$286 million (approximately US\$234 million) or C\$0.70 per share (diluted) in Q3, 2004 compared to C\$249 million (diluted) in Q3, 2003. Cash flow from operations was C\$576 million (diluted) compared with C\$604 million in the corresponding period in 2003. Production averaged 324,800 barrels of oil equivalent per day, compared with 300,200 barrels in Q3, 2003, an increase of 8%. For full results, see: www.huskyenergy.ca

Gas from Coal

Husky Energy in July signed a farm-out and JV agreement with **Trident Exploration Corp** to develop natural gas from coal (NGC) or coal bed methane (CBM) in central Alberta. The agreement extends the original 2002 JV for the exploration and development of NGC in the Fenn Rumsey area. The agreement calls for an additional 120 wells to be drilled over the next two years. Capital costs for drilling and associated facilities will be approximately C\$40 million, of which Husky will pay 30% to earn a 50% interest in the production.



Exploration Agreement

Husky on Aug. 16 signed a petroleum contract with **China National Offshore Oil Corporation (CNOOC)** for the 29/26 exploration block in the South China Sea. The exploration block is located 300km southeast of Hong Kong and covers approximately 3,900 sq km. It is the seventh petroleum contract signed between Husky and CNOOC. Husky meanwhile has purchased a 68.7% interest in a production-sharing contract in the Madura Strait, offshore Indonesia. The US\$50-million transaction, signed in October, gives Husky a 100% interest in an exploration block where two natural gas fields have been discovered. Husky plans to develop the fields and pursue additional opportunities within the 2,794 sq km of exploration acreage.

Well Oiled

Confirming the quality of **Husky's** White Rose oilfield, production tests carried out between July 20 and 25, 2004 estimated productive capability of the well to be between 25,000 and 35,000 barrels per day. During the tests, oil flowed to the surface at a rate of more than 9,000 barrels per day. Husky plans to drill three more production wells to produce 100,000 barrels per day at White Rose, starting in late 2005/2006.

Muddy Milestone

A sod-turning ceremony on Oct. 28 saw **Husky** take another step forward with its planned ethanol facility. Husky is building the 130-million-litre-per-year facility adjacent to its heavy oil upgrader

at Lloydminster in Saskatchewan. It will be fully operational by mid-2006.

Winds of Change

Green power will be made available to customers of the **Hongkong Electric Company (HEC)** when Hong Kong's first commercial-scale wind turbine begins operation on Lamma Island in early 2006. The turbine has a capacity ranging from 600 to 850 kW and is expected to produce electricity up to 700 MWh a year. The HK\$10 million (approximately US\$1.26 million) pilot project will provide HEC with important practical experience that

might underpin more sizeable projects in the long term.



PROPERTY & HOTELS

Clients say “We Do”

Harbour Plaza Hong Kong hosted its first In-House Wedding Extravaganza on Oct. 16. Renowned for its dazzling facilities – notably its 4,500 sq ft Grand Ballroom and sublime marble staircase – the hotel features more than 10,000 sq ft of function space on its first floor, all of which was utilised for this innovative, successful event, which helped build a solid list of wedding bookings for 2005. More than 400 visitors attended with sponsorship participation from 12 companies. It also featured an eye-catching fashion show with well-

known TV personality Eddie Kwan as model and spokesman.



Golden Guests

Managers of **Hutchison Whampoa Property Group** helped Guangdong’s best athletes – including Wu Hanxiong, Lao Lishi, Gao Feng and Yang Jinghui – celebrate their Olympic success at an event held in September at **Guangzhou Panyu Cape Coral**. They are pictured with Jason Tam, General Manager – China Marketing, Hutchison Whampoa Properties and Stephen Tsui, General Manager – Hutchison Whampoa



Properties (Guangzhou Panyu) Co Ltd Located in the Panyu Dashi district, the development is a paradise featuring “The Splendour of Australian Lifestyle” and occupying a site area of approximately 5.3 million sq ft, comprising a deluxe residential complex and a clubhouse with extensive facilities.

The Moon’s a Balloon!

The Wonderful Worlds of **Whampoa** attracted record crowds during the golden week of Mid-Autumn Festival and National Day holidays with some eye-catching spectacles, including a famous French trapeze artist performing the story of the Chinese Mid-Autumn Festival legend under the “moonlight” of a gigantic luminous balloon. Jointly organised with the **TOM Group**, other highlights

included the “AC Milan Whampoa Summer Camp,” which attracted football fans of all stripes.



Spanish Style

Guests of **Harbour Plaza Metropolis** enjoyed a Spanish Fiesta in October when the hotel hosted the annual “Spain in Hong Kong” cultural event at The Patio restaurant. Spanish Consul General Antonio Soler

opened the ceremony with Spanish guest chef Alberto Servalls cooking the biggest seafood paella rice ever prepared in Hong Kong. The festivities continued with flamenco dancing which featured guest appearances by celebrity models Eunice Chan and Coco Chiang.

Newsbites

RETAIL & MANUFACTURING

ASW Expands Health & Beauty Operations

A.S. Watson (ASW) in August exercised its option to purchase a 40% stake in **Dirk Rossmann GmbH**, the German health & beauty retail chain.

The acquisition of the **Kruidvat Group** in 2002 brought to ASW a network of Rossmann stores in Poland, Hungary and the Czech Republic on a 50-50 JV basis. From the same deal, ASW had the option to purchase 40% of the German operation.

Rossmann has a total network of over 1,100 stores and is one of the top three players in Germany with 786 stores. Rossmann will maintain its management over day-to-day operations in Germany while ASW has representation on the board.

In another strategic deal announced

in November, ASW has formed a 50-50 JV with Korean retail company **LG Mart Co**, signifying the expansion of its flagship *Watsons* chain into the Korean market. The new company will be named **GS-Watsons** and the retail chain will be launched under the *Watsons* banner. GS-Watsons will open its first store in early 2005 and aims to establish itself as the leader in the Korea's high potential health & beauty market, with plans to open more than 10 stores per year thereafter. The expansion extends the ASW group's global presence to 20 markets worldwide.



Ferrari Boosts Sales Drive

A Ferrari driven by Michael Schumacher in a Formula One Grand Prix race was on show at Hong Kong Airport from mid September to

the end of October, attracting crowds of admiring fans. Jointly organised by airport retailer **Nuance-Watson (HK)** and its supplier **GP Asia**, the exhibition helped boost sales of Ferrari merchandise on sale at Nuance-Watson's **The Atrium** store.

A Fine Nose

Paolo Basso, an employee of **HWL's** wine wholesaler **Badaracco**, represented Switzerland at the world sommelier championships held in Athens in October.

Smart Fortress

Confirming its commitment to innovation, passion and dedication, Fortress has unveiled a HK\$10 million branding campaign under the slogan "Inspiring Smart Living" with the goal of putting its customers on the digital pathway towards smarter and more enjoyable lifestyles.

Hong Kong's leading personal electronics and home appliance retailer connects with more than 30 million customers per year through 60 outlets.

Noted

Watsons China on Sept. 30 celebrated its 15th year of setting up business in the Mainland.

Stepping Up

Watsons' business partner **Boots** opened its first concept store in Hong Kong at the International Finance Centre (IFC) Mall on Sept. 7. Ten additional distribution points are due to be open by the end of 2004.



Healthy Growth

Watsons HK opened its 50th pharmacy counter on Oct. 6 at a store in Causeway Bay. The *Watsons* health team is comprised of 100 registered pharmacists and 150 trained health and fitness advisors. *Watsons* has pioneered various health programmes, offering free health tests as well as counselling to encourage correct drug compliance. It also provides a free Pharmacist Hotline to respond to public health enquiries.

Watsons plans to open 15 more stores and five pharmacies by the end of 2004.

Pharmaceutical Tie-up

Hutchison Medipharma Ltd (HMPL), a pharmaceutical company under **Hutchison Whampoa (China) Ltd**, began operations in Shanghai on Oct. 25. HMPL is a world-class facility specialising in R&D, production and distribution of herbal and traditional Chinese medicine.

HMPL is focused on registering new drugs derived from Chinese medicine in international markets.

The company has built a solid platform for research and development on cancer and auto-immune diseases and has established a strong team comprised of local and international pharmaceutical professionals. HMPL has so far applied for patents on 25 items.

P O R T S

XICT Launches New Services

The 334-m vessel *M.V. CMA CGM Hugo* made a maiden call at **Xiamen International Container Terminals (XICT)** on Aug. 1, 2004, to commence the Pearl River Express Service (PRX), a US West Coast service jointly operated by **CMA CGM** and **MSC**. PRX calls at XICT weekly with the routing of Xiamen, Chiwan, Hong Kong, Yantian, Pusan, Long Beach, Oakland and Xiamen. Five vessels are deployed on the new service.

Maersk Sealand meanwhile launched

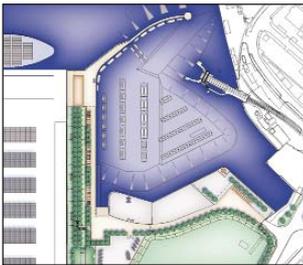


new long-haul services to Europe and a Europe-Mediterranean service, deploying a total of 15 vessels. XICT now handles over half of Xiamen Port's Europe- and US-bound containers.

Big Day for Thamesport

Thamesport on July 22 welcomed *Hatsu Envoy*, the largest vessel ever to call at the Medway facility. Owned by **Hatsu Marine** the 6,332-TEU vessel is 300m long and 42.8m wide with a draft of 13.5m. Thamesport has under-

gone an extensive equipment and infrastructure investment programme in recent months and the *Hatsu Envoy* was the first in a line of larger container ships that will use the Thamesport facility as part of a global surge in demand.



Better by Design

Hutchison Ports (UK) Ltd (HPUK) has won a top landscape design award for its proposal to develop a new deep-water container terminal at Bathside Bay. The "Local and Site Planning Award" was presented by the **Landscape Institute** at its 75th Anniversary Awards ceremony to **LDA Design Consulting LLP (LDA**

Design), landscape consultants to HPUK. LDA Design's concept incorporates a new wetland area, extensive tree planting and a "green" buffer zone that helps shield the working area of the Port.

HPH Eyes Polish Port

HPH has entered into agreements to acquire a majority stake in **Wolny Obszar Gospodarczy (WOG)**, a general cargo terminal in the Port of Gdynia, Poland, with a plan to develop it into a container terminal. The Port is located on the southern coast of the Baltic Sea where 90% of Polish sea-borne containerised cargo is handled. WOG will strengthen HPH's European port network, enhancing the level of service offered by Felixstowe, Thamesport and Rotterdam.

Shanghai Venture

Hutchison Port Holdings (HPH) and **Shanghai International Port Group (SIPG)** have entered into an agreement to form a JV to invest in a container terminal at **Shanghai Waigaoqiao Phase V (WGQ Phase V)**. The newly formed company – **Shanghai Mingdong Container Terminals Ltd** – is a JV between **SIPG** and **Hutchison Ports Waigaoqiao Ltd**, a subsidiary of HPH, with a 50-50 shareholding. With a tenure of 50 years, the JV has registered capital of 4 billion yuan (approximately US\$483 million).

HPH to Develop Thai Terminals

Hutchison Port Holdings (HPH) entered into an agreement in October with the **Port Authority of Thailand** to develop six container terminals in the **Laem Chabang Port**.

Hutchison Laemchabang Terminal Ltd, formed by a consortium comprising of HPH, **Hutchison Ports Thailand** and **Lexton Thailand**, has been awarded a 30-year concession to build and operate the container terminals in Chon Buri's Laem Chabang deep-sea port. Laem Chabang is located in the middle of industrial and manufacturing zones, home to many of the world's largest producers and manufacturers and is well-positioned to become the region's transport hub. In 2003, the port handled 3.4 million TEU.