

**ASX Market Announcements
Australian Securities Exchange**

Date 29 April 2016

Subject: Annual General Meeting

Please find attached the Chairman's address to be made at the Annual General Meeting of the Company this morning.

Yours faithfully



Louise Sexton
Company Secretary

HUTCHISON TELECOMMUNICATIONS (AUSTRALIA) LIMITED
ANNUAL GENERAL MEETING
Friday, 29 April 2016
CHAIRMAN'S SPEECH

When we spoke to you at last year's AGM, we reported that VHA's turnaround phase was complete, and it had entered a growth phase.

What we have seen since then is a strengthening and maturing of the business.

VHA now has a clear identity and role in the Australian market.

That role is to provide the Australian market with strong competition and products which resonate with customers.

What VHA has achieved over the past few years is indeed pleasing.

With the backing of HTAL and its other major shareholder, Inaki Berroeta and the VHA team have worked hard to get the business back in shape.

In February, HTAL brought to you its annual results, reporting that VHA achieved a solid performance in 2015.

Highlights included:

- A 4.5 per cent increase in revenue;
- A 2.5 per cent lift in customer base to 5.4 million; and
- A significant improvement in loss position.

I would today like to take the opportunity to talk to you about some of the key drivers of VHA's growth.

CONSUMER SENTIMENT

One of the most obvious indicators of the health of a business is, of course, its customers.

VHA returned to customer growth in the second half of 2014, with that trend continuing throughout 2015 and now into 2016.

During the first few months of this year, VHA has continued to see increases in pre-paid, post-paid and wholesale customer numbers.

But not only is VHA gaining customers, its customers are happier.

To find out how customers feel about a telecommunications company, you only have to look to the Telecommunications Industry Ombudsman's data on complaints.

VHA has not only done an extraordinary job of reducing its rate of complaints, achieving an 82 per cent decrease between the start of 2014 and the end of 2015, it is now setting new industry standards in complaints reduction.

Just last week, the TIO released its figures for the first quarter of this year, with VHA achieving a ratio sixty per cent below that of the industry average.

It also meant for the third quarter in a row, VHA recorded the lowest ratio of complaints of the major mobile telecommunications providers in Australia.

This has been achieved through a cross-functional effort by everyone at VHA, with the three main pillars, network, products and service.

NETWORK

VHA's network is going from strength to strength, as recognised in the 2015 Communications Day P3 network test results released toward the end of last year.

P3 tests measure mobile network performance across the country, with VHA achieving a 40 per cent improvement on the year before.

VHA is also continuing to expand and enhance its network, with services now reaching more than 96 per cent of the Australian population.

VHA is also eager to expand its network footprint further, last year participating in the first round of the Australian Government's Mobile Black Spot Programme.

The Programme sees regional and rural communities nominate black spots in their area, with government funding for sites awarded to network operators through a competitive selection process.

VHA secured funding for 70 sites in regional areas of New South Wales, Tasmania, Queensland, Western Australia and Victoria. All of those sites will be operational by the end of next year.

Round two of the Programme is underway now, with VHA currently analysing the nominated blackspots as part of preparations for its submission.

VHA is also setting up its network for the future, with thousands of kilometres of fibre to be connected to its network.

This means that when the next generation of mobile network, called 5G, is introduced, VHA will be ready.

You may have read or heard a bit about 5G lately, and are wondering what the hype is all about.

5G is the next evolution of mobile technology, which has seen us go from 2G to 3G to 4G.

3G saw the introduction of data, and then 4G brought us faster data speeds.

5G will bring with it much faster data speeds again, while the transmission of information from point to point will be almost instant and the number of devices or machines which can be connected will increase exponentially.

Everything that can be connected, will be connected, with predictions there will be up to 26 billion connected devices worldwide by the time 5G launches.

This presents enormous opportunities for industries such as utilities, health and agriculture.

In farming for example, Machine to Machine technology can measure soil moisture and monitor water levels, and deliver live updates from the field.

Now 5G is still some years away but VHA is doing the ground work now so it is prepared.

You might be saying – we only just launched 4G! And you're right.

There is still a lot of mileage left in 4G and VHA is continuing to enhance 4G with features such as Voice over LTE which uses 4G for voice calls, instead of 3G. The result is a better call experience, including reduced call connection times.

PRODUCTS

VHA is also shaking up the mobile market with products which are differentiating it from competitors and resonating with customers.

Where VHA is in a league of its own is international roaming, with its \$5 Roaming product changing the way customers travel.

\$5 Roaming allows customers to use their phones in more than 50 countries like they would at home, for only an additional \$5 per day.

This year, VHA took this a step further, allowing customers to take their plan to New Zealand at no extra cost.

\$5 Roaming, along with other products such as \$10 per gigabyte data top-up and Data Workout, are giving customers the confidence to use their phones more.

And these features are included in all of VHA's in-market post-paid plans, which are the key driver of revenue growth.

VHA is also partnering with world-leading companies, such as Qantas and Spotify.

These partnerships not only give customers options, for example, choosing whether to receive Qantas Frequent Flyer Points or a music streaming subscription, they are further proof of confidence in the Vodafone brand.

CUSTOMER SERVICE

VHA has also done a lot of work to improve the way service issues are handled.

Last year, it officially opened its new state-of-the-art Hobart Customer Care Centre, and launched an internal program to engage staff in the service evolution.

This has resulted in shorter wait and transfer times, and a more streamlined process for resolving issues.

DREAMLAB

VHA also recognises the importance of social responsibility.

And the Vodafone Foundation is doing some exciting and innovative work to improve the lives of Australians through mobile technology.

Late last year, the Foundation and Garvan Institute of Medical Research launched the DreamLab app.

The app allows users to help speed up cancer research by using the processing power of an idle smartphone to solve a piece of the cancer puzzle while they sleep.

The app has been widely praised, both in Australia and internationally, and has been downloaded by more than 60,000 Android users.

To date, 15 per cent of the cancer research project which DreamLab has been tasked with has been completed.

This milestone would have taken Garvan eight months to reach on its own, but DreamLab did it in four months.

OUTLOOK

As we move through 2016, HTAL expects VHA to continue performing well with:

- Continued growth in its customer base and revenue;
- Continued network expansion and enhancements, and the rollout of future-proofing projects;
- Further improvements to customer service;
- Continued push for a fairer telecommunications playing field, particularly in regional and rural areas;
- Continued support of and participation in the Mobile Black Spot Programme;
- And products and partnerships which allow customers to use their smartphones the way they want to.

In conclusion, HTAL is pleased with VHA's performance and continues to support VHA's strategy through our investment.

Before I open up to questions from the floor, let me answer some questions received before the meeting from shareholders. The first questions relate to the Company needing to make a profit, pay dividends and the market liquidity of the shares.

As you will appreciate the liquidity of any stock is determined by the market and the existing shareholders, so I cannot comment on this. VHA is now back on track and, as I have just said, we remain committed to VHA's turnaround strategy, which will drive VHA's profitability and through that, improvement in HTAL's results.

We have also received a question on the agenda being the same every year. The items on today's agenda are the obligatory ones for an AGM, but as any other matters that require shareholder approval arise, we seek your approval at an AGM or an extraordinary general meeting.